

OVERSEAS NEWS

S. Korea plans direct elections for Presidency

BY RONALD RICHARDSON IN SEOUL

SOUTH KOREA'S acting President Choi Kyu-hab has proposed that an election should be held to choose a permanent successor to President Park Chung-hee, who was assassinated by his intelligence chief two weeks ago.

Bolivia coup leader holds on to power

By Hugh O'Shaughnessy

A BELEAGUERED Colonel Alberto Natusch Busch was desperately clinging to power in Bolivia yesterday despite the refusal of Sr. Walter Guevara Arze, the provisional president, and the Congress to recognise the legitimacy of his ten-day-old military coup.

Israelis jail W. Bank mayor

BY DAVID LENNON IN TEL AVIV

THE ISRAELI military authorities yesterday jailed the Mayor of Nablus, the largest town on the occupied West Bank, in preparation for his deportation because of his support for the Palestine Liberation Organisation (PLO) and his struggle against Jewish settlement.

Cabinet decision a large group of Jerusalem slum-dwellers invaded one of the settlements on the West Bank to protest at the Government's "waste of money" on settlements, when no funds were available for housing the poor in Israel.

Vatican '€9.8m in deficit'

BY DAVID LENNON IN TEL AVIV

The Vatican is expecting a £17m (€9.8m) deficit for this year—with every prospect that matters will get worse in the years ahead if current economic trends continue.

Botha in row with coloureds

BY BERNARD SIMON IN JOHANNESBURG

HOPES OF a political accommodation between the South African Government and the country's 2.5m people of mixed descent (coloureds) suffered a serious setback after a meeting between coloured leaders and Mr. P. W. Botha, the Prime Minister, ended in deadlock.

Zaire backs inquiry

BY DAVID LENNON IN TEL AVIV

KINSHASA—Mr. Nguma Karibon, Zaire's State Commissioner for Foreign Affairs, has called for the establishment of an international commission to investigate allegations that Zaire troops massacred 300 young people in the country last July.

Poll thins ranks of Kenyatta 'old guard'

BY QUENTIN PEEL IN NAIROBI

PRESIDENT DANIEL Arap Moi of Kenya is expected to announce a major reshuffle of his administration this week following the defeat of one-third of his cabinet in last week's general election.

Government since independence. In addition, 12 assistant ministers, from whose ranks several might have been expected to join the cabinet, were beaten in a poll which left almost half the country's parliamentarians out of a job.

Two other ministers, both old-timers, may be in danger. Mr. James Gichuru, the Minister of Defence, and Mr. Paul Ngei, Men who might expect promotion to the Cabinet include Mr. G. G. Karuki, an assistant minister and close confidant of the President, Mr. Sbarir Nassir, his leading supporter in Mombasa, and Mr. Kenneth Matiba, the chairman of East African Breweries.

Three HUMAN rights activists were arrested yesterday after an unofficial transcript of the trial of China's best-known dissident went on sale.

Three held in clampdown on Chinese dissidents

BY JOHN HOFFMANN IN PEKING

THE three members of a democratic discussion group called the April 5 Forum, were believed to be selling the transcript of the trial of Wei Jingsheng, who was jailed for 15 years for "counter-revolutionary crimes."

UN food warning

BY DAVID LENNON IN TEL AVIV

Hunger and malnutrition will continue to haunt the poorest nations of the world even if the most strenuous efforts are made to increase food and agricultural production, according to a report presented to a UN conference on food in Rome yesterday, our foreign staff writes.

Gromyko for Madrid

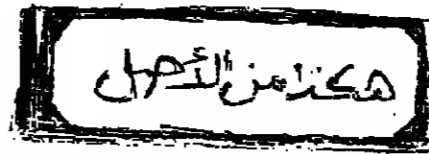
BY DAVID LENNON IN TEL AVIV

THE Soviet news agency has officially confirmed that Mr. Andrei Gromyko, the Soviet Foreign Minister, will visit Spain in the second half of November. AP reports from Moscow. Unofficial reports from Madrid have said Mr. Gromyko will arrive on November 19.

Getfromable NEWPORT The 10 minutes from anywhere town. Work it out. The vital part of your communication with the rest of the world is the distance from 'goods outward' to the transport networks. Look at Newport. No site in Newport is more than 10 minutes from motorway, railhead (125 to Paddington) or dockside. The airport is 30 minutes down the road. We've industrial sites large and small for immediate development. Our labour relations are excellent. Many household names are already profitably based here. Backed by the sort of Local Authority support and Central Government financing you'd expect. Enjoying the living environment that you wouldn't. For full details - fast - contact Steve Wehrle (Dept. F.T.) The Civic Centre, Newport, Gwent. Telephone Newport (0633) 65491.

Peak Season for Refreshing Beverages. During peak season, things really get hectic in one of Europe's leading mineral water factories, Messrs Rossbacher Brunnen of Germany. Twenty men using their lift trucks have to shift more than half a million bottles of beverages for despatch by truck or rail, and also, have to handle the same number of returned empty bottles. In such a high gear operation productivity is absolutely essential but must not be paid for by high breakages. Therefore Messrs Rossbacher Brunnen use Linde lift trucks with their hydrostatic drive, which not only makes them very fast but also guarantees a controlled and smooth ride. Linde solved this problem. Expertise in our fields will also solve your problems, however large or small. Linde Group leads the way in applied technology. World wide sales of DM 2,300 million are backed by a workforce of 19,000. Linde AG, Wiesbaden, represented by: Linde Hydraulics Ltd, Materials Handling Division, Nuffield Way, GB-Abingdon, Oxon OX14 1TL, Tel. 0235-22626, Telex: 837 477 thukg

PEC vis Mexico... K reduc... TRADE FAIR... Activity w... WING REPORT... Ramp sh...



EEC visit aims to boost Mexico trade relations

By William Chislett in Mexico City

DR. WILHELM HAFFERKAMP, the EEC Commissioner for External Affairs, arrives here today for a four-day visit in an effort to intensify the fledgling relations between the Common Market and Mexico.

The visit is in line with moves by the EEC for a more coherent strategy towards Latin America as a whole. In the case of Mexico the feeling is that the time is ripe to pursue greater co-operation and trade. The visit to Mexico follows a recent one to Brazil.

The EEC's desire is basically shared by the Mexican Government which wants to diversify exports away from the U.S. and use its rising oil revenue to stimulate non-oil exports.

Mexico does not want to be just an oil-exporting country, and as part of this overall strategy it last week initiated a "national debate" about the merits of joining the General Agreement on Tariffs and Trade (GATT).

Mexico has finished its discussions with GATT and has until May 31, 1980, to make up its mind whether to become party to the international tariff regulatory system. The Government is in favour, but has to overcome resistance from Mexico's private sector and trade unions.

Dr. Hafferkamp, who is responsible for the EEC's

foreign relations, will meet with President José López Portillo, with Mexico's foreign and trade Ministers, and with the head of Pemex, the State oil monopoly.

He will also preside over the closing session of the Mexico-EEC Joint Commission, only the third such meeting since 1975. This, in itself, is an indication of the lack of interest in expanded trade until now on both sides.

Last year 71 per cent of Mexico's exports went to the U.S. and only 5.8 per cent to the EEC, principally coffee, honey, cotton and minerals. In return the U.S. supplied Mexico with 60 per cent of its imports and the EEC with 18.5 per cent, mainly capital goods. Mexico is the EEC's 58th supplier and 42nd client and has always had a deficit with the EEC which has been increasing over the years.

Mexico, like other developing countries, enjoys the EEC's system of generalised preferences.

Last year Mexico's trade deficit with the EEC, according to EEC figures, was almost \$1bn, and in the first six months of this year, according to Mexico's Foreign Trade Bank, the deficit with the EEC was \$650m.

Oil is changing the picture to the benefit of Mexico. Next year a contract to sell oil to France begins, and will rise to

a maximum of 100,000 b/d. Spain, which will be an EEC member and is already receiving 60,000 b/d, will receive a further 100,000 b/d.

Oil sales to Western Europe demonstrate how quickly the EEC's interest in Mexico is changing, although as one EEC official said recently: "It is not oil per se which attracts the EEC, but its potential to transform Mexico into an advanced industrialised nation." In addition Mexico is seen as a rich and safe alternative to OPEC—of which it is not a member.

Pemex's declared aim is to reduce the present U.S. share of Mexican oil exports from 85 per cent to 60 per cent and to sell 20 per cent to Europe and 20 per cent to Japan.

However, in the long-term, it will be the effect of Mexico's oil wealth on this fast-developing country of 67m people which will influence trade with the EEC.

For the next decade it is predicted that the Mexican economy will grow by at least 8 per cent a year. This will help turn it into an exceedingly attractive market for the EEC, but at the moment, excluding trade among EEC member countries, Mexico takes a tiny 0.5 per cent of total EEC exports and it supplies the EEC with 0.25 per cent of its import needs.

Rise in oil imports hits France

By Terry Dodsworth in Paris

FRENCH OIL imports went up by more than 12 per cent in the first nine months of this year despite a slight reduction in the monthly rate in September.

After rising to 11m tonnes in August, imports were down to 9.8m tonnes in the following month. But this figure was still 11 per cent up on imports for the same month a year ago, and brought the nine-monthly total to 95m tonnes.

With the Government committed to an oil conservation policy aimed at limiting consumption to 107.5m tonnes this year, the figures suggest that efforts are concentrating on increasing stocks. Costs to the French oil importers have already risen considerably, from FF474 a tonne in the January to September period of 1978 to FF532 a tonne this year. In September, however, France was paying an average FF664 a tonne.

By far the largest amount of these imports came from OPEC countries. This year, about 37 per cent has come from Saudi Arabia, 18 per cent from Iraq and 5 per cent from Iran.

Sudan re-negotiates debt with export credit agencies

By James Buxton

SUDAN TODAY starts talks in Paris with Western Governments in an effort to obtain the rescheduling of its debts to export credit agencies.

The two day meeting with the so-called Club of Paris, a grouping of export credit agencies from the main OECD countries, is part of Sudan's attempt to refinance all its overdue foreign debt, believed to total more than \$1bn.

The debt consists of overdrafts on bills of exchange, supplier credits and short and medium term loans. An exact profile of Sudan's debt is still being compiled but a substantial part of it is believed to be covered by Western credit agencies, such as Britain's Export Credits Guarantee Department (ECGD), the U.S.

Export-Import Bank and France's Coface. The outcome of the Club of Paris discussions will directly affect the negotiations Sudan has been having with commercial banks over their part of its debt.

Sudan has asked for a refinancing loan of about \$1.2bn on concessionary terms over a three year period to cover its overdue foreign debt and provide some new financing to support the economic reform programme agreed with the International Monetary Fund in May this year. It is in effect asking to be relieved of the burden of repaying and servicing its debt until June 1982.

At the Paris Club meeting the state of the Sudanese economy will be reviewed by the IMF, World Bank and Sudanese Government, before

discussions on the terms of re-scheduling begin. The aim of the meeting is to agree on the outline for a rescheduling programme, which would be followed by bilateral negotiations in succeeding weeks between Sudan and individual credit agencies. Sudan is understood to want to negotiate with ECGD first.

How far the Western countries are prepared to go in meeting Sudan's request is not known, but it is thought unlikely that they will accede to its desire for a three year refinancing at this stage. However Western Governments look reasonably favourably on Sudan both as a pro-Western nation in a strategic part of Africa and as a country which is now making determined efforts to put its economy in order.

Franco-U.S. approval for new aero-engine

By Michael Donne, Aerospace Correspondent

THE FRANCO-U.S. (Succma-General Electric) CFM-56 engine has now been awarded its official type certificates by the French and U.S. civil aviation authorities, clearing it for airline service.

The official type certificate was handed over in Paris at the weekend by the French Direction Generale de l'Aviation Civile and the U.S. Federal Aviation Administration to Mr Jean-Claude Malroux, president of CFM-International, which builds the engine.

The CFM-56 has already won more than \$600m worth of business from several U.S. and overseas airlines who want to use it to re-engine their existing DC-8 Series 60 jet airliners.

The engine is also now installed in a Boeing 707 jet airliner, with flight trials due to start soon. This is thought likely to lead to extensive sales of the CFM-56 for re-engineing existing Boeing 707 jets also.

The engine, rated at 24,000 pounds thrust, is also a candidate for selection by the U.S. Air Force for re-engineing the big fleet of several hundred aerial tankers, the KC-135s.

Another version of the engine, the 20,100 pounds thrust Dash 3, is also being developed for the new generation of short-to-medium range airlines for the 1980s.

Societe Francaise d'Equipements pour la Navigation Aerienne (SFENA), makers of navigation equipment, have been selected by Boeing to supply 600 emergency visualisation systems for Boeing's 737 and 767 airliners. AF-DJ reports from Paris.

UK reduces W. German deficit

By Guy Hawtin in Frankfurt

RAPIDLY GROWING sales of North Sea oil are gradually eroding the massive trade deficit Britain is running with West Germany. On the other hand, the deficit in non-oil trade in the Federal Republic's favour is growing alarmingly.

Figures for the first three quarters of 1979 show British sales to West Germany up by just over 39 per cent compared with the same period of last year. They rose from DM 3,76bn to DM 12,18bn (\$6,73bn).

West Germany's trade surplus fell back from DM 3,49bn in

the opening nine months of 1978 to DM 3,32bn in the comparable period of this year. This is a drop of 4.8 per cent.

But when oil shipments are excluded from the returns—supplied by the Federal German Statistical Office in Wiesbaden—British exports show a much less impressive growth rate. They went up by just 26.6 per cent from DM 7,83bn to DM 9,91bn.

In comparison West Germany's sales to the UK, which are virtually all manufactured goods, also showed a 26.6 per cent growth, rising from

DM 12,25bn to DM 15,5bn. The non-oil trade gap, therefore, rose 26.7 per cent from DM 4,43bn to DM 5,6bn.

The West German statistics show that the two countries are becoming increasingly important trade partners. Britain's sales in the Federal Republic have expanded far faster than the overall 18.1 per cent increase in West German imports during the first nine months of the year. Non-oil sales have also greatly outpaced the 16 per cent growth in non-oil imports.

Brazil fuel deficit rises

RIO DE JANEIRO — Brazil posted a \$2,99bn (£1,45bn) deficit in its trade with the Middle East oil producing countries during the January-August period this year, up from \$2,68bn during the same period in 1978, the Central Bank reported.

Total Brazilian imports from those nations this year were \$3.3bn, while its exports were listed at \$300.1m. The figures for the same period last year were imports \$2.3bn and exports \$215.1m. AP-DJ

Higher paper prices forecast

By John Lloyd

CONTINUING price rises in all grades of paper, especially newsprint, were forecast for next year by Mr. Bo Wergens, managing director of the Swedish Pulp and Paper Association, over the weekend.

Mr. Wergens said that profitability throughout the West European paper industry was low, and that prices must at least keep pace with inflation. The industry had a difficult problem ahead, because it was not making sufficient capital investment in new plant.

The Swedish industry has recovered from its very low levels of profitability, or of losses, in 1976-78, a period in which the Government intervened to underwrite loans to

some companies and to buy stock in others.

Mr. Wergens said, however, that rising costs for wood, energy, transport etc. have not yet allowed the Swedish—as well as the European industry—to recover fully from the adverse conditions during the long recession.

The Swedish industry, which exported 900,000 tonnes of paper and board to the UK this year, is to press for a 5 per cent increase in its quota this year.

Mr. Wergens said that the quota increase allowed last year was only 1 per cent because of fears of a recession in the market. However, he expected that the present UK Government would take a more active

positive view of imports than the previous one.

International demand in the current year has been strong, with production in the U.S. up 5 per cent, and in Western Europe up nearly 7 per cent. The order backlog is high, and production has had difficulty in keeping pace with demand.

The market for white graphical, copy, computer and scholastic papers had grown particularly strongly, Mr. Wergens said.

In the UK, where growth was less strong over this year, imports continue to win a growing share of the market. However, French and German exporters have taken an increasing proportion while Scandinavian suppliers have stagnated.

UK TRADE FAIR PARTICIPATION

Activity widens despite doubts

By Lorne Barling

THE VALUE of participating in trade fairs and exhibitions is frequently questioned, but with West German companies spending around 25 per cent of their promotion budgets in this way, compared with 10 per cent in the UK, the evidence suggests that they are vital to European marketing.

Although British companies have increased their exhibition spending from only around 2.5 per cent of total promotion budgets in 1975, many still regard exhibiting as an increasingly expensive activity which is necessary only because their absence at major events would be noticed.

However, with the European exhibition circuit booming and the National Exhibition Centre in Birmingham now near to capacity for 1980, it appears that it is increasingly cost-effective to bring the potential buyer to the product in this way.

Companies have also had a measure of relief from the pressure to be at every show as a result of recent agreements to reduce or at least restrict the number of exhibitions within particular industries. These have been agreed by trade associations in Europe and the UK.

These trade associations have also acted to restrict the number of unofficial exhibitions taking place by preventing their members from participating in unauthorised events, sometimes held by inexperienced organisers. The Society of Motor Manufacturers and Traders, for

example, approves only about six UK shows a year.

The major show organisers, which have received a welcome boost with the success of the National Exhibition Centre, do not wish to appear monopolistic, but more shows mean business is spread more thinly and visitors are, consequently, more difficult to attract.

As far as British shows are concerned, it is regarded as vitally important to encourage

Many British companies are unconvinced about the value of participating in exhibitions, but an increasing number now believe that the international trade fair circuit is the most effective way to bring the potential customer to the product

more European buyers, and representatives of the Motor Show and Mach 80 (the International Machine Tool Exhibition) were in Amsterdam recently to promote their events taking place next year.

The Motor Show, a major public attraction, has been criticised in the past by trade visitors who feel the business side of it has been downgraded, but next year more exclusive time will be devoted to their activities.

Pressure on the always popular show has also been reduced by the start of two motor equipment exhibitions,

Autoquip and Garagequip, being held in London. These have successfully attracted buyers who do not want the glitter of the Motor Show and can avoid it in this way.

In the machine tool industry, where products sometimes take three to four years to develop, companies have been faced with the problem of providing something new for each event, and with the cycle of exhibitions now every two years instead of four, they have tended to get smaller.

It remains difficult to generalise about the overall level of costs, since they vary greatly according to what is offered, from a bare stand to a full service, but £40 a square metre is now a common cost factor.

The annual International Spring Fair for instance at Birmingham's NEC, dealing with hardware and giftware (such as silver and other craft goods) is nevertheless oversubscribed, with around 300 potential exhibitors having to be turned away.

From the NEC's point of view such enthusiasm is encouraging, since the £41m cost of the centre and an additional £7m now being spent on a seventh hall, is a considerable burden. Most of the funds were provided by the Birmingham City Council.

It is evident, however, that many British companies remain unconvinced about the value of exhibitions, and overall spending is proportionately lower than in most European countries.

'We call ourselves "The Light Brigade," Mr Wagstaff...

'...but we charge very little,' said John Graham.

'As you know, when you helped us set up,' said his brother Bill, 'we deliberately kept our designs simple so that we'd have the minimum of production problems. And it's paid off. We've become very competitive, with one of the cheapest quality ranges on the domestic market.'

'So now we want to apply the same principle to industrial and office lighting,' said John. 'We've developed some prototypes that we've shown to a number of architects and builders, and the response has been fantastic. We must show you the correspondence.'

'But we've a long way to go yet,' said Bill, 'we'll have to get new premises, new equipment, more staff—the lot. We've got all our plans and proposals ready, but there are one or two critical financial areas that need your kind of light shed on them, rather than ours!'

'Well in that case,' said Mr Wagstaff, 'why don't we set up a meeting at the bank—or here if you like—and get your accountant, Jack Rogers, along and we'll all have a look at the balance sheet. Then if that's all right and you make sure you keep the domestic side of your "Light Brigade" going at a steady gallop, I should think the bank could be very interested. So here's to a bright future!'



Wagstaff's face lit up.

WILLIAMS & GLYN'S AND FINANCE FOR YOUR BUSINESS.

There are many ways Williams & Glyn's can help finance a new development. For example, by an overdraft, which is easy to arrange, and upon which interest is charged only on the amount actually borrowed—so if this is repaid quickly the interest can be kept to a minimum. An alternative would be a Williams & Glyn's Medium Term Loan: this enables you to pay for premises and/or equipment over an extended period (usually up to 7 years) during which time the capital investment is generating additional income. Loan accounts are handled separately from current accounts so the cost can be isolated and repayments made to suit each individual case. Interest is usually linked to Williams & Glyn's Base Rate. Obviously the final arrangement made will depend upon the precise circumstances and Williams & Glyn's will be glad to suggest the best method of providing finance to suit any particular case.

A leaflet entitled 'Your Guide To Our Business Services' is available from any Williams & Glyn's branch, or if you would care to write to the address below we'll gladly send you one.

The manager and staff at every Williams & Glyn's branch are always ready with friendly, expert advice on a wide variety of money matters, both on business and personal accounts. If you would like to know more about us why not call in at your local branch, or write to: Marketing Development Office, Williams & Glyn's Bank Limited, New London Bridge House, London SE1 9BX.

WILLIAMS & GLYN'S BANK

Our business is pounds, pence and people.

A member of The Royal Bank of Scotland Group and one of the Inter-Alpha Group of Banks.

SHIPPING REPORT

Tramp shipping index up sharply

By William Hall, Shipping Correspondent

THE SCALE of the recent boom in tramp shipping is underlined by the latest figures from the General Council of British Shipping. Last month the council's tramp charter index jumped by one-sixth, its sharpest rise for more than a year.

The index is based on the recorded monthly fixtures of five main categories of ships, from 12,000 tonnes to ships of 85,000 dwt and over. The bulk of the fixtures is concentrated among ships of between 12,000 dwt and 35,000 dwt.

In October, the index (1978=100) stood at 214—about 75 per cent above its level of a year ago.

The council said the rise was almost entirely due to demand for tonnage to ship grain to the Soviet Union. This point is emphasised by the latest Matheron Chartering Report. It says that countries such as the Soviet Union with serious harvest shortfalls are bringing in as much grain as possible

before the winter weather worsens. Matheron predicts that the current demand will continue through November but may ease after that, especially in the Western Hemispheres.

The upturn in tramp shipping rates has not been uniform. According to the council's figures, rates for ships in the 12,000-19,999 dwt category have risen by 99 per cent in the last year. Rates for ships of 20,000-34,999 dwt have risen by 79 per

cent. For ships of 35,000-49,999 dwt, rates have risen by 135 per cent. This is double the increase for ships in the 50,000-84,999 dwt category.

In the tanker market, the events in Iran have been the major talking point, but the implications are still unclear. The benchmark figure for Very Large Crude carriers, Persian Gulf/West continues to hover around Worldscale 50.

World Economic Indicators

	FOREIGN EXCHANGE RESERVES (Millions of U.S. \$)			
	Sept. 79	Aug. 79	July 79	Sept. 78
UK	18,724	19,003	19,159	15,846
U.S.	3,301	4,798	4,843	26
Germany	46,911	42,072	43,245	35,287
Italy	17,869	14,828	14,819	9,817
Holland	6,673	6,431	6,400	4,037
Japan	21,247	21,331	21,040	26,607
Belgium	4,489	4,435	4,399	2,449
France	14,408	14,570	14,530	7,584

Source: International Monetary Fund

UK NEWS

Foreign currency banking for all

BY DAVID MARSH

THE ABOLITION of exchange controls last month has brought foreign currency banking within range of the public. National Westminster Bank announced on Thursday that it was offering UK residents accounts in more than a dozen currencies without formalities. Non-interest bearing current accounts can be opened with a minimum balance of £250 equivalent. New customers can open accounts on the spot at NatWest branches if adequate references are given. The NatWest announcement

stole a march on the other High Street clearers. But all the big banks had been offering foreign currency banking to private customers after the abolition of exchange restrictions. Lloyds is allowing branches to open accounts in the main foreign currencies. If the opening balance is at least £500 equivalent. Barclays and Midland branch managers will open accounts for private customers on request, with terms depending on the currency and amount. NatWest says many accounts

for commercial customers have been opened since the exchange control moves last month. Previously, Bank of England approval was needed for UK residents to hold foreign currency accounts, although this had been granted for trading purposes for companies. NatWest customers can open deposit accounts in the range of £1,000 to £15,000 with maturities of seven days to six months. Lloyds is setting a minimum amount for deposit accounts of £2,500. The banks neither want to

encourage nor expect a flood of foreign currency accounts from Britons saving up the odd D-Mark for that long-awaited cruise up the Rhine, or bringing home pocketfuls of pesetas from Costa Brava holidays. As for suggestions that private customers worried by the possibility of a hard winter and rising sterling M3, would open accounts in Swiss francs to compensate for a falling pound, Lloyds said this would not be worthwhile. Commission charges for converting sterling into foreign

currency in the first place were so high, that the pound would really have to fall through the floor to make the exercise profitable. There would also be no advantage for people wanting to evade the Inland Revenue. Foreign currency deposits in the UK would enjoy no special privacy. For the professional tax evader or currency speculator, clearly the Bahnhofstrasse in Zurich, rather than the High Street in Cheam, is the place to be.

Airline food unspeakable says Ronay guide

BY ARTHUR SANDLES

LIFE IN the skies for the average traveller is no picnic if the latest Egon Ronay Lucas Guide is to be believed. According to Mr. Ronay, whose inspectors did 43 transatlantic journeys in the course of a study of conditions for airline passengers "the lot of the air passenger is a dismal one." As far as food is concerned, Mr. Ronay reckons that "only the truly captive situation of the passengers explains how airlines can get away with serving unadorned rubbish. Contempt for the passengers' health is the only conceivable reason for hanging on to the basic misconception of what should be served."

The whole thing starts off badly, says the Ronay report. "Welcome is scant and insufficient, with perfunctory smiles and as often as not just a military pointer to the correct aisle to take. Call buttons might as well be ignored. Flight attendants are pre-occupied with their own pursuits once meal service is finished." It is not only the food that brings comment from the Ronay organisation. Worse still is "the scandalous state of the lavatories." It is suggested that most airlines simply do not arrange for constant attention to lavatories. "Could this be below the dignity of the glamour girls?" asks Mr. Ronay.

But the food served by Delta—a steak, a mixed grill, and a kebab—on sampled flights—was gratefully served and simple, the report says. The airline lowest on the Ronay list draw particularly harsh criticism. El Al staff are said by Ronay to have been "tired, unenthusiastic, indifferent and undisciplined," although there were one or two redeeming individuals. "On one flight two stewardesses took no notice of a call button that was lit up for half an hour; they were seen to be busy relaxing."

Whatever the glossy advertisements suggest, in Mr. Ronay's view the tourist class passengers will find in fact that "they are taken for granted and, on the whole, treated with contempt by most airlines." Ronay's list of the Atlantic airlines rates America's Delta as the best, scoring 77 per cent on the Ronay rating. Delta flies to Atlanta, Georgia. The top airline for flights into New York was TWA, which came third in the listing overall, after Air Canada.

Our experience of flight and discarded bits and pieces does not bear description," says the report. "Even the general state of repair is often poor. It is no excuse that passengers are also to blame for behaving so anti-socially."

BA criticised Of individual airlines Mr. Ronay says that British Airways served food that was sadly unenterprising. Tasteless chicken in a nondescript sauce with the usual flavourless frozen vegetables, followed by a Babby slice of fruit pie, shrink-wrapped cheddar and biscuits, and indifferent coffee. On one flight a farcically pretentious Elizabethan menu heralded one of the worst air meals ever eaten. Although it received a bigger rating, the food on British Caledonian comes in for similar savage comment. "Tired smoked salmon, lamb swamped in horrid gravy with roast (i.e. burnt) potatoes and peas like tasteless nasturtium seeds was followed by sickly fruit pie." But the report adds that drinks were served with admirable promptness on all the British Caledonian flights sampled.

European banks 'may extend U.S. activity'

BY MICHAEL LAFFERTY

WEST EUROPEAN banks may soon seek to enter the U.S. financial services market in activities such as travel and entertaining, says a study by the Payment Systems (PSI) organisation in the U.S. PSI believes that the Eurocheque and Eurocard banking clubs can form the basis for such a development. Eurocheque banks are negotiating with Midland Bank to acquire the non-sterling travellers' cheque business of (Thomas) Cook from Midland. "This fact suggests that the Eurocheque banks may in fact enter the U.S. market place to compete for the dollar-denominated travellers' cheque business of U.S. travellers in Europe as well as European travellers visiting the United States. It is also likely that some of these banks will engage in (plastic) card-based competition for various retail services in the United States. PSI forecasts that the most significant impact from foreign banks in the U.S. will be liberalisation of the McFadden

Act, which restricts banks from interstate branching. "When inter-state branching is permitted, foreign branches and banks will not be the only, or even the greatest beneficiaries. The big winners will most likely be the large, aggressive U.S. banks. "These banks will no doubt utilise relaxed restrictions to compete more aggressively. They will attempt to establish a national retail-services delivery system, probably an electronic one. "The numbers of U.S. banking offices and subsidiaries controlled by foreign interests tripled between 1972 and 1978 from 104 to 332. The U.S. General Accounting Office recently reported that foreign banking interests controlled over 8 per cent of all U.S. banking assets. PSI says that rates of growth and acquisitions in the U.S. will slow markedly compared with recent trends. "Foreign Banks: A New Competitive Force in the U.S." PSI, Atlanta, Georgia.

MG's future discussed in BL talks

By Kenneth Gooding, Motor Industry Correspondent

TALKS BEGIN today between BL and the British consortium which wants to buy its MG business. This will be the first of several meetings but Mr. Alan Curtis, joint-chairman of Aston Martin and leader of the consortium, said at the weekend: "There is good will on both sides and we are hopeful of a successful outcome." However, a wide gulf seems to exist between what the consortium wants and what BL has publicly stated it would accept. The consortium wishes to buy the MG plant at Abingdon and take over responsibility for the 1,300 employees. It also wants the MG name. BL appears interested in only a licensing deal for the consortium to continue production of the MGB sports car after the scheduled ending of production late in 1980. Abingdon, with a much-reduced workforce, has a key role in BL's restructuring of car production plants

Most social security benefits increase

BY ERIC SHORT

RETIREMENT AND widows' pensions, sickness and unemployment benefits and most other social security benefits increase this week in accordance with the annual revaluation of benefits required by Social Security Act, 1975. The weekly pension for a single person rises to £23.30 from £19.50, while the new rate for married couples is £37.30 compared with £31.20. Sickness and unemployment benefits, previously £15.75 for a single person and £25.50 for a married couple will be £18.50 and £29.95 respectively. The pension increases were announced by Sir Geoffrey Howe in his Budget speech on June 12 and the other increases the next day by Mr. Patrick Jenkin, the Social Services Secretary. The significant omission has been an increase in child benefit allowances. This remains at £4 per week for each child. However, for single parent families the weekly rate for the first child rises by 50p to £6.50. The present pension levels

are being increased by 19 1/2 per cent. This represents an expected increase in prices of 17 1/2 per cent, the other 2 per cent rise representing the shortfall in the pension upratings in November last year because the earnings movement was underestimated. Short-term benefits are being raised by 17 1/2 per cent—the expected rate of price inflation. This uprating is not a subject of controversy. Also pensioners who have retired since April, and thus are receiving a small amount of second tier earnings-related pension under the new state scheme will find that pension uprated by 17 1/2 per cent. Pensioners will also receive a Christmas bonus of £10 this year. This is a legal benefit, and not a grace and favour payment of the Government. Its level will be reviewed each year by the Secretary of State. The Government still ignores any uprating to the death grant. This has remained at £30 since 1962. The pensioner organisations are demanding at least £135.

Pan Am's remarkable offer to anyone going to America on business: Two special flying classes.

On every Pan Am flight across the Atlantic, you can choose between two luxurious classes of service. First Class, with Pan Am's superb international cuisine, served in our unique upstairs dining-room-in-the-sky. And seats so comfortable it's hard to stay awake in them. And Clipper Class, created with the comfort of the international business traveller in mind. On Clipper Class, you get everything from a choice of 4 main courses with every meal, and a First Class baggage allowance, to free drinks, free headsets, and free slipper socks. Plus an empty seat next to you whenever possible. And a lot more attention—on the ground as well as in the sky. So if you're travelling to America on business, talk to your Travel Agent now about Pan Am's all-747 service across the Atlantic. He'll be glad to arrange for you to take one of our special flying classes.



From London to	Leave	Arrive	Notes
Detroit	1100	1655	
Honolulu*	1325	2350	
Houston	1400	2135	
Los Angeles	1325	1630	
New York	1100	1335	
	1400	1635	
San Francisco	1210	1510	Wed/Fri/Sun
	1210	1735	Mon/Tue/Thu/Sat
Washington	1440	1800	
Also: Seattle	1210	1350	Mon/Tue/Thu/Sat

*Connection via Los Angeles



Pessimistic tone shown by brokers

By Peter Riddell, Economics Correspondent

THE INCREASING pessimism of today are "herded like cattle, kept uninformed during frequent delays, racked tight in their seats and reduced to cyphers and debunimised. Fed unspeakable food and often ignored by flight staff, they are heavily over-charged into the bargain, as Sir Freddie Laker has proved."

Post Office expects Prestel expansion

BY JOHN LLOYD

PRESTEL, the Post Office's videodata system, has ended its six months' public availability in better shape than seemed likely at the beginning of the period, and appears set for major expansion in the New Year. Its user base, 1,600 subscribers, is still very small. Manufacturers of Prestel sets continue to report shortages in components. The 160 information-providers have grumbled about insufficient revenue and difficulties in updating their information because of shortage of access time to Post Office computers. It now appears that the UK set manufacturers are committed to the project—there was some doubt earlier this year—and most have plans to go into volume production next year. The corporation forecasts a market of about 100,000 prestel sets in 1980, equally split between domestic and business use. The service will be extended to Birmingham next month, and Manchester and Edlburgh next year. Last week Sony UK announced that it would be the first Japanese company to enter Prestel production. The Post Office guaranteed that it would not allow foreign set-makers into the market for the first six months, now expired. Sony UK is registered in Britain. It has designed two small

Aquis payment for ex-chief

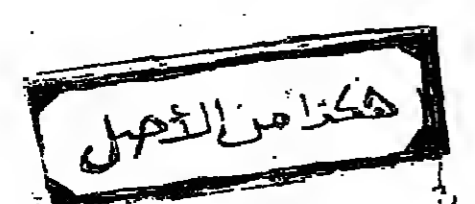
AQUIS EXCHIEF, the property investment and hotel interests, is to hold an extraordinary general meeting on November 29 to gain approval for an ex-gratia payment of £27,500 to Mr. Harold Quilman, who has recently relinquished his post as managing director. In August Aquis said that Mr. Quilman had for some time expressed the desire to be relieved of day-to-day management of business. The group appointed Mr. John Bateman to take over as managing director. FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription rates \$25.00 per annum. Second class postage paid at New York N.Y. and at additional mailing centres.

"There's no faster way to build"



A major bedroom and conference room extension was completed at this luxury 4-star hotel in just over a year in spite of one of the worst winters on record. This was made possible by the Conder Kingsworthy method of building. OFFICES, HOSPITALS, SCHOOLS, ETC. HAVE ALSO BEEN BUILT IN HALF THE NORMAL TIME USING KINGSWORTHY. If you want quality buildings in double quick time—and to budget, contact T. K. Holder, Conder International Limited, Winchester, Hampshire. Telephone (0962) 882222. Telex 47465.

CONDER World leaders in steel-framed buildings



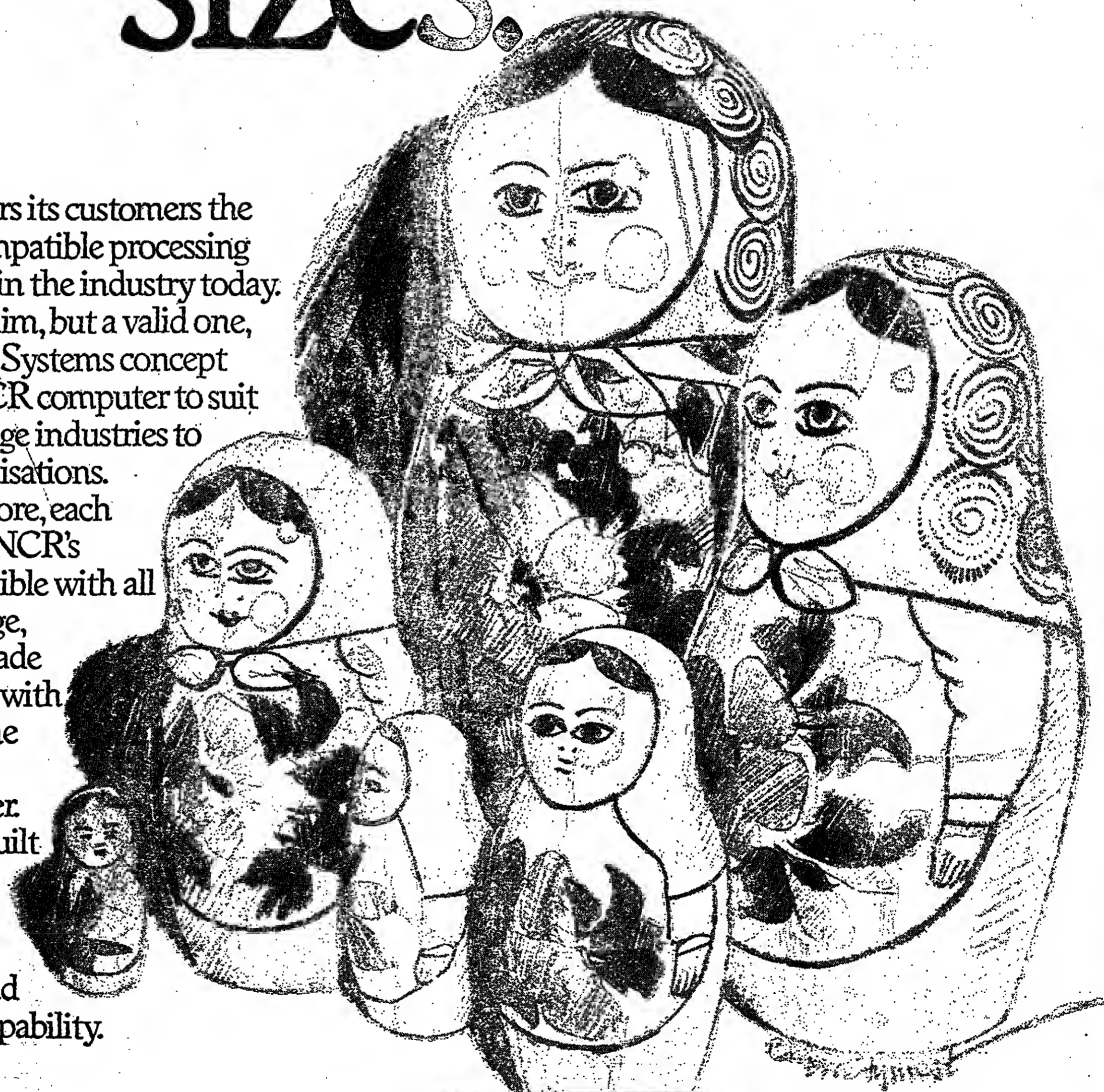
NCR means computers in all sizes.

NCR offers its customers the broadest range of compatible processing equipment available in the industry today.

A bold claim, but a valid one, because NCR's Total Systems concept ensures there's an NCR computer to suit businesses from cottage industries to multi-national organisations.

What's more, each computer system in NCR's 8000 series is compatible with all the others in the range, allowing you to upgrade naturally, and in line with your growth, from one level of computer technology to another.

This in-built compatibility means continuing useage of your capital investment, above and beyond its original capability.



NCR

NCR means computers.

UK NEWS

New orders in building industry slow

BY ANDREW TAYLOR

A GRADUAL slowing in the rate of new orders for two of the recent growth sectors for the building industry is indicated in the quarterly state of trade inquiry by the National Federation of Building Trades Employers.

The September survey showed fewer companies reporting increased new order inquiries in the private industrial and commercial building and repair and maintenance sectors, which have sustained the building industry's recovery over the past 18 months.

In private industrial and commercial building 31 per cent of companies surveyed reported more inquiries, compared with 39 per cent in the previous quarter. They stayed at about the same level in 40 per cent.

In repair and maintenance 29 per cent reported increased order inquiries, against 39 per cent in the previous survey, and 51 per cent said that inquiry levels were unchanged.

Despite slackening in rate of new orders in these two sectors, over half the 700 companies surveyed said that they

were working at full capacity, or almost. The federation said that 45 per cent still expected an increased volume of work this year, and 19 per cent expected a decrease.

Taking all types of building work, the survey showed that 29 per cent of companies reported order inquiry increases in September (42 per cent in June); 44 per cent (38 per cent) said that inquiries were the same; and 28 per cent (21 per cent) reported a decrease. The federation said: "This means that the ratio between firms reporting more and firms reporting less new inquiries has almost halved between the June and September inquiries."

The federation said that companies had continued to report severe shortage of skilled labour, with over half those questioned finding it "very difficult or virtually impossible to obtain enough bricklayers, while the same applies to around one-third of firms seeking carpenters, plumbers, plasterers and slaters-tilers."

Only a few isolated shortages were reported in materials.

School meals can contain 30% meat substitute

BY CHRISTOPHER PARKES

LOCAL EDUCATION authorities are expected to be allowed shortly to raise the amount of meat substitute in school meals from 10 per cent to 30 per cent.

The move could save the authorities £50,000 a day, the Vegetable Protein Association said yesterday. There could be further economies if more substitutes were given to hospital patients and other consumers of local authority meals, it said.

If all education authorities increased substitutes, meat consumption could be cut by about 10,000 tonnes a year.

The association, which represents the industry making substitutes and "meat extenders," said it was expecting a notice of the change to be

issued by the Department of Education and Science.

The department is studying a recent report from the Common Market Commission, which recommended the 30 per cent limit.

"Although only part of the meat in mince or stew dishes, which account for about 40 per cent of all school meals, can now be replaced by vegetable protein, it is possible to achieve savings of more than £10m a year without sacrificing nutritional standards," the association said.

School kitchens serve an estimated 1.5m meals a year, of which 432m contain mince and 270m are "stew" dishes. Average meat serving is 2.5 ounces.

Thatcher to discuss EEC with Giscard

BY PHILIP RAWSTORNE

MRS. MARGARET THATCHER will pursue her determined bid to secure a substantial reduction in Britain's contribution to the EEC budget at a meeting this week with President Giscard d'Estaing.

The Prime Minister is still robustly demanding that Britain's £1.2bn net contribution should be eliminated. She is expected to reaffirm the Government's objective in her foreign affairs address at the Guildhall tonight.

The French President arrives in London today for two days' talks—the last in Mrs. Thatcher's series of bilateral meetings with EEC leaders before the critical Dublin summit at the end of the month.

Their talks will have a vital bearing on the course of the summit negotiations. But indications so far are that other EEC members are unlikely to concede more than a £650m cut in the contribution along the lines suggested by one option put forward by the EEC Commission.

Pressures

Several Common Market countries will not yield even that much—regarded by the British Government as minimal—without some very tough bargaining.

There will be strong pressures for Britain to accept a reduction of around £500m, a compromise on which range from £250m-£650m.

Such a move would involve a relatively simple adjustment to the financial mechanism established in 1976 to prevent excessive budget strains on the poorer EEC countries.

Any Government retreat on the issue would be strongly attacked by the Labour Party. Mr. Peter Shore, the party's foreign affairs spokesman, said at the weekend that Mrs. Thatcher's pursuit of a new budget deal had the "total backing" of the Opposition and the great majority of the British people.

Hearings open today over cheap flights to Hong Kong

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

MAJOR improvements in the quality of air services between London and Hong Kong, including substantially cheaper fares, are promised by British Caledonian Airways if it is given rights to run such services.

The Hong Kong Air Transport Licensing Authority today starts public hearings in Hong Kong on applications by British Caledonian, Cathay Pacific Airways and Laker Airways for rights to fly new cheap services between Hong Kong and London.

Similar public hearings will be held later by the UK Civil Aviation Authority.

In its evidence to the Hong Kong hearing, British Caledonian will pledge that it will offer a comprehensive, multi-class service, with fares ranging upwards of £100 single.

British Caledonian says that it will offer the widest possible choice of passenger amenities, including first-class sleepettes, to one-way, stand-by fares on fast, one-stop services via the Middle East.

The airline says that seven fares will be available (at mid-1980 prices), as follows: First class, £800 single; Executive, £500 single; Economy standard, £350 single; "Bottom Dollar," with 21 days advance purchase, £175 single (peak) and £150 (off-peak); and "11th Hour Standby," £115 single (peak), and £100 (off-peak).

British Caledonian claims that these fares are all below the cheapest fares offered by British Airways at present.

British Caledonian's case will be presented to the Hong Kong

authorities by Mr. Leonard Bebnick, a director of Caledonian Airways, the parent company of British Caledonian. In addition to its Hong Kong application, British Caledonian has applied to the UK Civil Aviation Authority for route licences to serve St. Louis, Denver and New Orleans in the U.S.; Mexico City, and Salisbury in Zimbabwe-Rhodesia.

It also has an application before the CAA for 20 additional European routes from London Gatwick.

Sir Freddie Laker, chairman

of Laker Airways is planning Hong Kong as the eastern pivot of a Skytrain route linking London, Hong Kong and Los Angeles.

He already operates between London and Los Angeles, and if he gets the go-ahead for the London-Hong Kong sector, he will then apply for the dormant Hong-Kong-Los Angeles route to complete the circle.

Cathay Pacific, the British-owned Hong Kong-based airline, plans a fast one-stop service with Boeing 747 Jumbo jets, initially flying three services a week from Gatwick Airport.

Cathay Pacific's lowest fare would be an advanced booking midweek budget price of £136. It claims: "As Hong Kong's own airline we have a rightful claim to provide a reciprocal service to that offered by British Airways."

Workforce takes pay cut to save company

By Lisa Wood

MORE THAN £3.5m is to be injected into a power brake manufacturer by its U.S. parent company after employees agreed to a pay cut of about 10 per cent.

Clayton Dewandre, of Lincoln, part of the American Standard Group, was threatened with run-down and possible closure unless the 1,600 workforce accepted a pay cut of about £11 a week.

About 200 planned redundancies will also go ahead at the plant. The company was reluctant to say whether the new investment would create jobs but said it would mean a more stable working situation.

The company said the pay cut was necessary because an incentive scheme had "got out of hand" and earnings and production had drawn apart.

The parent company is to start a £3.5m investment at the Lincoln factory to be phased over two to three years.

Clayton Dewandre, which was taken over by the Standard Group in 1977, was unprofitable last year and the new investment and new earnings structure is intended to make it more competitive.

Move to buy State docks at Falmouth

A BID to take over Falmouth Docks from British Shipbuilders is likely to be made by Britain's biggest privately-owned shiprepairers.

Mr. Christopher Bailey, chairman of the Cardiff company Bristol Channel Ship Repairs, and 17 of his executives completed a three-day inspection of the repair facilities at Falmouth yesterday.

He said that provided he could get "full co-operation" from British Shipbuilders about running the yard, he would be able to make an offer "which no commercial organisation could sensibly refuse."

"We could even be operating the Falmouth shiprepair yard before the end of this year."

With "the further co-operation of the labour force and the people of Falmouth" his company could very considerably increase the present workforce at the yard.

In June more than 1,000 men were made redundant at Falmouth. Mr. Bailey said that the present shiprepair team totalled no more than 80, plus 50 staff.

Rates rises over 20% expected

BY MAURICE SAMUELSON

LOCAL authorities are expected to raise rates by more than 20 per cent next year, in spite of Government efforts to keep increases at a far lower level.

On Friday, Mr. Michael Heseltine, Environment Secretary, is to announce the level of the rate support grant for 1980-81. Central government subsidises local authority expenditure by means of the grant.

It is still unclear whether the grant will be kept at this year's level of 61 per cent of expenditure or whether it will be trimmed by another one or two per cent—such a trimming would be equivalent to raising rates by another three to six per cent.

In addition, the Government is expected to set much tighter cash limits than local authorities feel is necessary. While borough treasurers are fore-

casting increased inflation for pay and prices of 15-17 per cent next year, the Government is setting a lower level, of between 12 1/2 per cent and 13 per cent.

According to the Environment Department, local authorities' spending—in 1980-81 will be just over £17bn. If the rate support grant remained at this year's 61 per cent level, the authorities would receive £10.6bn through the rate support grant.

However, with the authorities themselves forecasting total expenditure at £18bn to £19bn, this is much less than they need to take care of pay and price inflation.

Should local government spending be in line with their own higher forecasts, this means that rates would have to be raised by 24 per cent, in contrast with the Government's estimate of about 10 per cent.

Recovery begins in retail sales after three years

FINANCIAL TIMES REPORTER

RETAIL SALES in shops have been recovering this year, but not enough to offset the decline of the last three years, says a report by ICC Business Reports.

The report, on financial performance of 98 leading retail companies in the three years to October 1978, compares growth in various sectors in the period with that in 1975-76.

There was an overall slowing of growth from 22 per cent in 1975-76 to 18.7 per cent in the subsequent two years.

Electrical goods retailers achieved the highest overall sales growth, largely as a result of the jump in sales by Dixons. Photographic group from £82m to £183m.

Among individual companies the highest growth in turnover was in decorating and furnishing. Times Furnishing sales rose by 87 per cent; Harris Carpets, 58 per cent; and MFI Furniture Centres, 46 per cent.

High Street Trading, ICC Business Report, 81, City Rd., E.C1, £50.

in a less taxing situation

Methodist Homes for the Aged acknowledge with gratitude the generosity of those who have shared with MHA a part of their personal benefit from the reduction of income tax. MHA has a big and costly caring programme for the 80's; extensions to some of the present thirty-five residential Homes; building flats and sheltered housing for the elderly who wish to look after themselves for as long as possible.

Will you, too, please support this enterprise with a generous gift, if possible by Covenant? Lower rates of tax increase the need for Covenants. Please complete and post this form now. Thank you.

Form with fields for name, address, and a checkbox for covenant support. To: Brian I. Callin, MA, BSc, General Secretary, Methodist Homes for the Aged, Dept. Freepost, London, SW1P 3BR.

METHODIST HOMES FOR THE AGED 11 Tufton St., Westminster, London SW1P 3SD. General Secretary Brian I. Callin, MA, BSc. Pastoral Secretary Rev. Norman J. Richardson.

Q. Where is the nearest Assisted Area to London and the South East?

A. Corby, Northants. Britain's newest Assisted Area.*



Due to the closure of the Corby steel-making plant, a large force of skilled and unskilled labour will be immediately available.

If your company is considering relocating or developing in the south of Britain, you must consider CORBY which can now offer a package equal to anywhere else in the country.

- * Good and improving communications to all parts of the U.K.
* Incentives relevant to a Development Area.
* Assistance from British Steel (Industry) Limited.
* Advance factories and land readily available.
* The expert services that a Development Corporation can provide.

The Development Corporation has set up an office to advise on and co-ordinate the various grants and benefits available.

*Subject to E.E.C. approval

Write to or ring K. R. C. Jenkin, B.A., F.R.I.C.S. Corby Development Corporation Chisholm House, 9 Queen's Square, Corby, Northants, NN17 1PA Tel: Corby (05366) 3535

Advertisement for Bank of China (中國銀行) in London, announcing the opening of a branch in Manchester on Monday, 12th November 1979. Address: 67-69 Mosley Street, Manchester M2 3JB. Telephone: 061-236 8302/4. International Telex: 669167. Telegraphic Address: "CHUNGKUOMAN" Manchester.

Advertisement for Eurolink, a World Courier service. Text: "Another 1st. for World Courier. Only World Courier collects vital documents up to 6pm. for delivery to New York and most major European destinations by 9 to 9-30am. the following day." Includes a map of Europe and a coupon for requesting information. Telephone: 01-629 4456 or return coupon.

Libya With its... expansion... on the... of the... never...

Methodist Homes for the Aged... Will you, too, please support this enterprise with a generous gift, if possible by Covenant? Lower rates of tax increase the need for Covenants. Please complete and post this form now. Thank you.

Comi Early... will be tak... three airc... forward... expansion... the tenth... adds a po... happened... forward... take the J...

Our Welcome to the JAMAHIRIYA*

Libyan Arab Airlines,

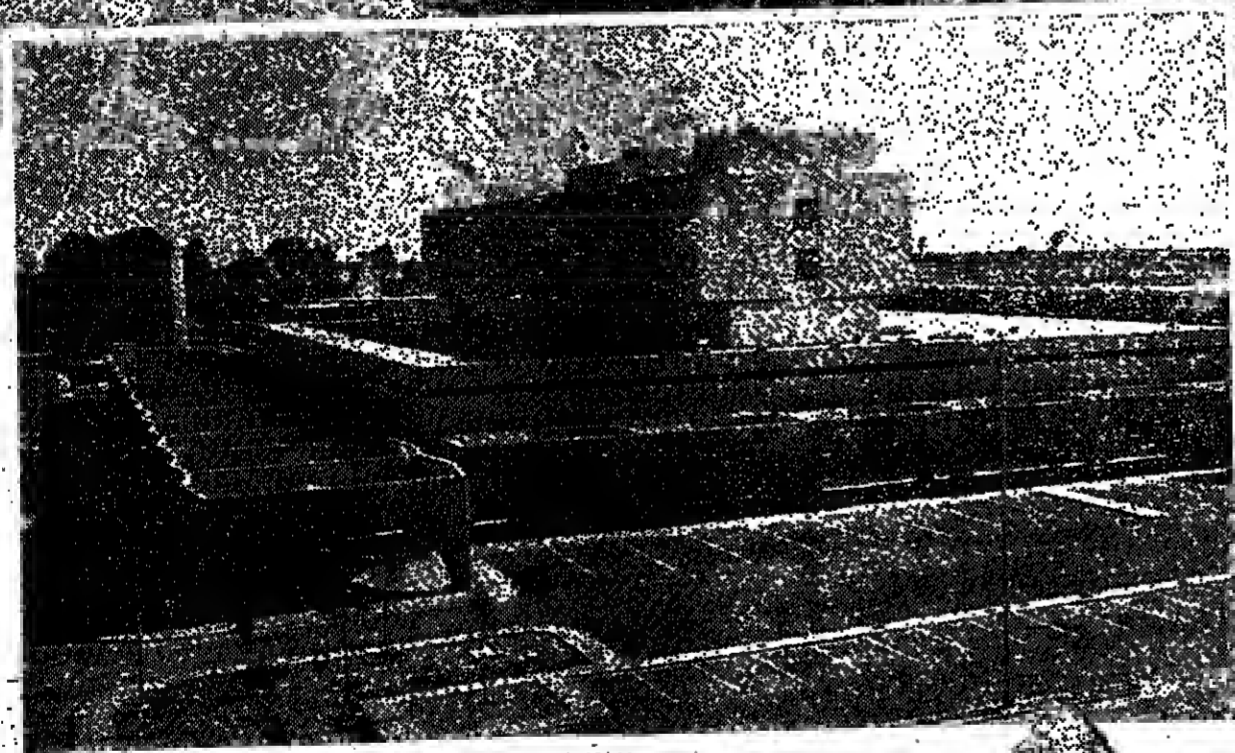
with its continuously developing route system, is very conscious of the need to back expansion in the air with top class facilities on the ground.

As well as the desire to provide passengers with a first rate Airline service, this striving for the highest standards is part of the revolutionary spirit of the Jamahiriya - something we aim to see reflected in everything we do.

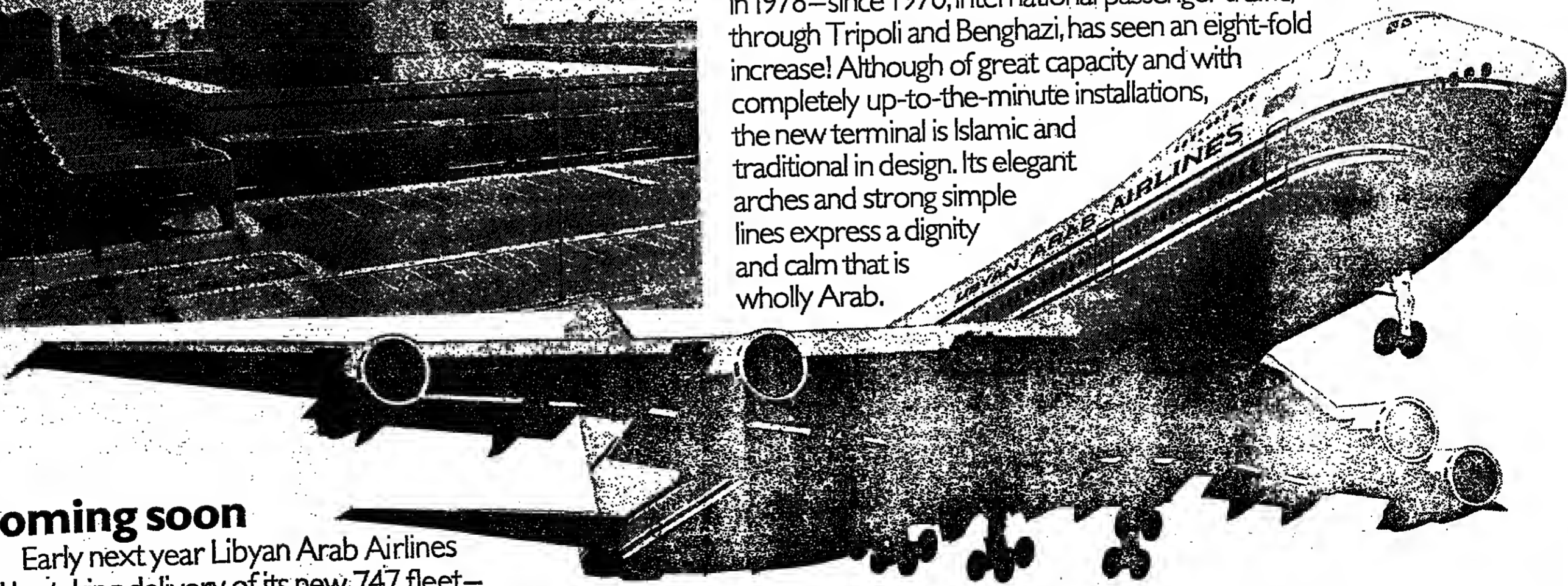
There's no better example of this than our new airport at Tripoli.

Here, you meet us on our home ground. It's where we welcome you to the Jamahiriya.

We're proud of our Airport, one of the most advanced in the world, and we'd like to take this opportunity to show you round...



The new terminal at Tripoli Airport was opened in 1978—since 1970, international passenger traffic, through Tripoli and Benghazi, has seen an eight-fold increase! Although of great capacity and with completely up-to-the-minute installations, the new terminal is Islamic and traditional in design. Its elegant arches and strong simple lines express a dignity and calm that is wholly Arab.



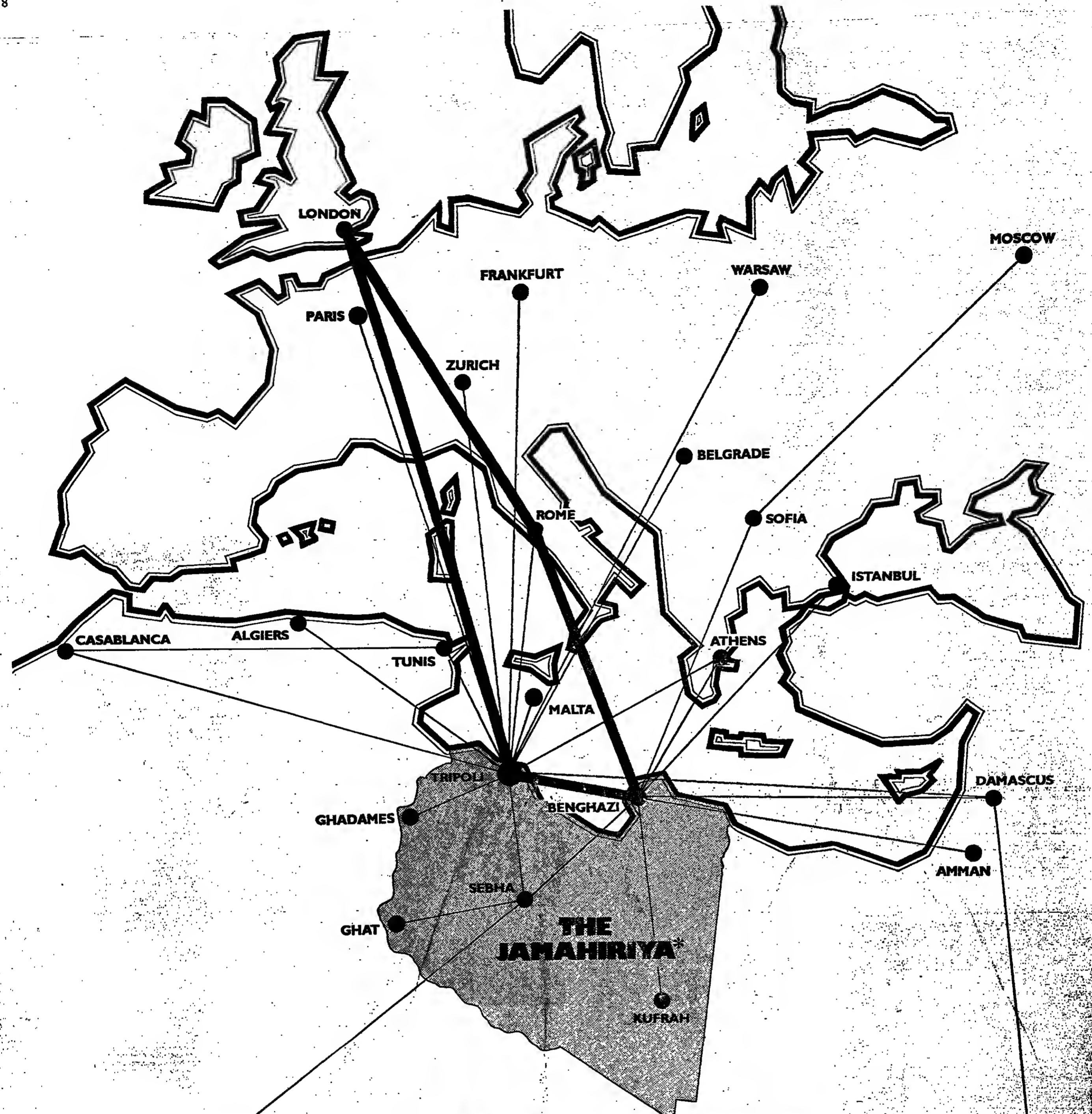
Coming soon

Early next year Libyan Arab Airlines will be taking delivery of its new 747 fleet—three aircraft in all—another dramatic leap forward in the airlines policy of continuous expansion. Following, as it does, so closely on the tenth Anniversary of the Revolution, this adds a potent affirmation of all that has happened since September 1st 1969, and carries forward the surge of development that will take the Jamahiriya into the eighties.



انخطوط اجوية العربية الليبية
LIBYAN ARAB AIRLINES

* Socialist People's Libyan Arab Jamahiriya



London's Schedule

Libyan Arab Airlines, with the most comprehensive flight-schedule at the most convenient times to the Jamahiriya, gets you there, easier, quicker.

Here is our London Timetable:

U.K. (Heathrow) - Jamahiriya

Daily (LNI03)
 Dep. LONDON 14.35
 Arr. TRIPOLI 17.50
 Dep. TRIPOLI 19.00
 Arr. BENGHAZI 20.05

Tues: Thurs: Sun. (LNI05)
 Dep. LONDON 13.50
 Arr. ROME 16.00
 Dep. ROME 17.00
 Arr. BENGHAZI 19.00

Jamahiriya - U.K. (Heathrow)

Daily (LNI02)
 Dep. BENGHAZI 07.30
 Arr. TRIPOLI 08.40
 Dep. TRIPOLI 09.45
 Arr. LONDON 13.05

Tues: Thurs: Sun. (LNI04)
 Dep. BENGHAZI 07.15
 Arr. ROME 09.20
 Dep. ROME 10.10
 Arr. LONDON 12.25

London Office: Libyan Arab Airlines, 88 Piccadilly, London W1V 9HD
 General Enquiries Tel: 01-499 1016/9. Ticketing & Sales Tel: 01-499 0381/5

People's Choice to the Jamahiriya.

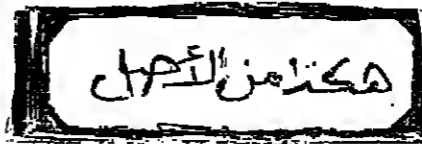
انخطوط اجوية العربية الليبية
LIBYAN ARAB AIRLINES

* Socialist People's Libyan Arab Jamahiriya

هكذا من الأهل



Murray
 hysteria
 Keeping B
 tickets at ho
 patient
 Asg
 Asg
 Som
 be
 For the fact sh
 ents can help yo
 all for free no
 ment
 You may feel an
 ment which const
 nished 12 year
 The More Stamp Dir
 Libyan Arab Air
 London W1V 9HD



Murray warns against 'hysteria' over cuts

BY OUR LABOUR CORRESPONDENT

A SERIES of "genuine dilemmas" which the trade union movement must resolve within its own ranks was identified by Mr. Len Murray, TUC general secretary, at the weekend.

He told a TUC rally in Newcastle that the trade union movement must relentlessly expose "the heartlessness and the class bias" of the Government's cuts in education, housing and the health service. But, continued Mr. Murray, trade unionists must avoid reacting hysterically.

through the genuine dilemmas that face the movement. "We must find a way of reaching agreement on how we get the right balance in the use of resources between our productive industries and the public services and how we get agreement on priorities in public spending. We need to think through the roles of direct and indirect taxation and the taxation of wealth."

While the trade union movement rejected the Government's attack on the nationalised industries, there were problems in that area such as the right financing basis, pricing policy and the role of subsidies.

It was also necessary to tackle "the real problems of industrial relations and trade union structure that we all know exist."

These included: developing adequate procedures and sticking to them; improving inter-union co-operation; ensuring that unions never used the strike weapon against each other in inter-union disputes; and getting the right balance between low pay and proper differentials.

"All these are difficult and complex problems. They will not go away if we ignore them. They are not susceptible to easy answers. But the society of which we are an integral part will rightly insist on knowing what our answers are and knowing where we stand."

"The answers do not lie in new legal arrangements. They can only be found through hard thinking and given substance by acts of collective will."

Stewards meet on halt to investment

BY RAY PERMAN, SCOTTISH CORRESPONDENT

SHOP STEWARDS at Caterpillar Tractors, Uddingston, Lanarkshire, are to meet today to consider the implications of a management decision to cancel a £10m investment.

The company said on Friday that the next model in the successful D8 range of earth-moving machines, the D8L, would be produced at its U.S. plant at Peoria, Illinois, rather than in Scotland as planned.

Between £2m and £3m has already been spent preparing the Uddingston plant for the new tractor, a replacement for the present D8K model, which is to be phased out from the end of 1980.

The local management said the workforce of 2,500 would not be affected by the decision, and it was hoped that a new model from the Caterpillar range would be secured for manufacture in Scotland. It had been decided to produce the D8L in the U.S. because of the larger home market there. However, shop stewards were concerned about the announcement, particularly in view of the contraction in other parts of the Scottish engineering industry.

Mr. Hugh Grant, shop stewards' convenor at Caterpillar, said that the decision seemed like another example of an American multinational withdrawing from overseas production and concentrating on home plants.

Stewards were extremely worried and had asked full-time union officials to take up the matter. The priority would be to try to find out what the company would do to keep the plant operating at full capacity.

Times 'who does what' talks go on

By Alan Pike Labour Correspondent

FURTHER efforts were made yesterday to resolve the demarcation dispute which has broken out between two Times Newspapers unions on the eve of republication of the company's suspended newspapers.

Feeling last night was that the dispute, over the control of counter-stacker machines which stack newspapers as they come off the printing presses, would not interfere with tomorrow's planned republication of The Times.

Officials of the National Graphical Association and the National Society of Operative Printers, Graphical and Media Personnel met yesterday in an attempt to decide whose members should control the flow of papers into the machines.

Warning

Union officials and management accept that in the early days of republication there may be other sectional disputes arising out of new agreements.

Republication of The Times will come after an absence of almost a year. The management suspended publication on November 30, 1979, after failing to obtain union agreement on industrial relations reforms.

Republication of The Times' sister paper, the Sunday Times, is due next Sunday.

Pay Commission methods 'likely to disrupt' job market

BY OUR LABOUR CORRESPONDENT

THE CLEGG Commission on pay comparability is criticised for being "likely to play a disruptive role" in the labour market in the latest issue of the National Westminster Bank Quarterly Review published today.

Mr. Michael Beenstock and Mr. Harold Immanuel of the London Business School argue in a review article that the Clegg Commission's bases for comparison are not well conceived.

"If it is to enjoy a constructive future the focus on comparability for its own sake should be abandoned in favour of an appropriate market analysis for public sector pay."

The authors outline a possible methodology for calculating the impact of market forces in con-

trast to the Clegg approach of national job evaluation.

In its first report the commission recommended various relative pay increases for groups of manual workers. Tentative conclusions by the authors based on the market approach seem to confirm the recommended pay increases for school-helps, dustmen and ambulancemen, although not necessarily the relative size of the rises. The market approach would disagree with the awards for road sweepers, hospital porters and ward orderlies.

The NatWest review also contains articles on the British National Oil Corporation, on paying for health care, on the changing role of women in the British economy, on Spain, and on central bank functions in less developed countries.

CBI welcomes 'insider' ban

GOVERNMENT PROPOSALS to ban insider dealing have been welcomed by the Confederation of British Industry.

Mr. Bryan Righy, a deputy director general of the CBI, said: "These mark a distinct step forward on the last Government's proposals. They will make it easier to catch the

criminal who makes gains for himself or his friends from privileged information reaching him in the course of his job—while interfering as little as possible with legitimate dealings."

The Government has been waiting for public reaction to the consultative document.

Sleeping BL workers face action

NIGHT WORKERS at a British Leyland paint shop who were found to be asleep during a spot check may face disciplinary action for an alleged breach of safety regulations.

The 14 men in Block 38A at the Range Rover plant in Solihull, Birmingham, devised a method of completing their workload halfway through their

shift so they could spend the remainder of the time asleep.

BL said yesterday that in doing so they had broken safety regulations.

Management made a spot check at 4 am on Friday when most of the workers were found sleeping in the locker room. The conveyor track was switched off.

The men are expected to be

called before the management today. They will be given the opportunity of having representatives of the Transport and General Workers' Union present at the hearing. Disciplinary action could result in suspension or even dismissal.

BL stressed that the men had been keeping to their work schedules and turning in work of the required quality.

Tugmen continue action

THE 300 tugmen on the Mersey continued for the 14th weekend since early August, blocking of the Gladstone Dock river entrance to the £50m Royal Seaforth container terminal at Crosby. Originally it was a complete

ban from Friday night to Monday morning but this has been eased to cover only the three nightshifts. This has meant that a total of 14 ships have been able this weekend to move in and out of the port in the daylight hours.

Pickets at hospital hear patients' protest

PATIENTS at the strike-hit Charing Cross hospital in London yesterday urged union pickets to find another way of settling the dispute that is holding up vital supplies.

Three hundred patients have signed a petition urging the striking workers to call off their picket. They fear patients' safety is being put at risk because some supplies—mainly heating oil—are not getting through.

The strike, by 55 members of the engineering and electricians' unions, AUEW and EETPU, is over the dismissal of two engineers who refused to do a "labouring job."

The petition was organised by teacher Mr. Michael Peake, 29, who has been a patient at the hospital for five weeks. "The people who are really suffering in this dispute are the patients," he said. "They need a chance to express themselves."

Mr. Peake, who is a member of a union, said he had spent two years in hospital for cancer operations and realised the problems that arose when there was a threat of operations being postponed.

"It's not union-bashing, it's just that I felt no grievance,

however strong it may be, could justify putting patients' lives at risk. I've seen a lot of suffering and worry."

The petition urges pickets to seek other ways of settling the dispute.

Charing Cross hospital said that the hospital was still closed to admissions.

Staff were "anxious... about the level of heating oil."

Bargaining art 'forgotten'

By Robin Reeves, Welsh Correspondent

BRITISH EMPLOYERS have forgotten, or never learned, the art of free collective bargaining with trade unions, according to a report by IRPC, a Newport, South Wales group of industrial relations consultants.

It says that after nine years of incomes policies, during which pay maxima became pay minima, older managers have forgotten, and younger managers never learned, how to negotiate a pay deal based on productivity and profitability.

"As good as gold?"

Some say better.

For the facts about rare stamps, and how our experts can help you make decisions, send for your free booklet, "Fine Stamps for Investment". You may feel confident that the useful information it contains is based on an unrivalled 123 years' philatelic experience.

To: The Rare Stamp Director, Stanley Gibbons Ltd., 391 Strand, London WC2R 0LX

Name: _____

Address: _____

FTI

Stanley Gibbons Ltd.

Tel: 01-593 8444 Telex: 2883



An excellent restaurant when you're in a hurry.

Next time when you're hurrying to a distant business meeting, look out for the Inter-City trains that have this symbol beside them in the timetable or even get your secretary to ring us up and check. Because these are the ones where you will find this excellent little restaurant.

The choice is better than ever. Fine, traditional British dishes with freshly cooked ingredients. There's a small, well chosen cellar. It has a range of most presentable table wines. The decor is superb. Natural colours, faultless perspectives, totally realistic landscapes and animal subjects. Constantly changing throughout your meal. Most remarkable of all its location. It's wherever you are precisely when you're hungry.



Have a good trip!

Building and Civil Engineering

£11m McAlpine award

THE LARGEST contract so far undertaken by Sir Robert McAlpine project management is now under way at Stourton, Leeds, West Yorkshire. Valued at £11m and awarded by the North Eastern Postal Board, the contract calls for the construction of a new parcels office on a six hectare site off Skelton Grange Road. The building will be about 166 metres by 87 metres on plan

and 14 metres high. Some 20,000 square metres of floor space will be provided within the steel-framed, plastic-coated, steel clad structure founded on 550 concrete piles. McAlpine says its responsibility extends to the entire building construction, all mechanical and electrical services and the installation of £4m worth of purpose-made plant and equipment. At least

100 sub-contracting firms will be controlled by the management team with a view to completion by the end of 1980. Architects are Abbey and Hanson Rowe and Partners of Huddersfield, structural engineers Ove Arup and Partners of Sheffield, quantity surveyors Gleds of Leeds and building engineering services consultants Edward Pearce and Partners.

Equipment for plant in Jordan

MEETING AND beating intense international competition, Balfour Kilpatrick has won a major award, estimated at around £5m, to design, supply and set up relay panels, cabling, lighting and small power equipment for a big fertiliser project at Aqaba in Jordan. Lightning protection equipment is also to be provided. The company is a member of the Balfour Beatty Group of BICC. It is intended to start on the UK company's contribution in the project in April next year and completion is expected to be announced one year later in April 1981.

£4½m S. London project

Y. J. LOVELL (London) has been awarded a £4.5m contract by Capital and Counties Property Company for the construction of the first phase of the Riverdale development in Lewisham in South London. The six-storey office building will consist of a reinforced concrete frame clad in brickwork on pile foundations with car parking within a ground level podium.

The contract also includes laying out over an acre of public open space, the re-creation of the mill pond which served the 19th century mill retained on the site and the construction of a studio/gallery building. Architects for the project are Frederick Gibberd and Partners and the quantity surveyors are E. Thornton-Fitkin and Partners.

Workshops and reservoirs

FIVE DIFFERENT contracts awarded to F.C. Construction are worth more than £2m and include a £750,000 job for the design and construction of new workshops and an amenity block for the South Staffordshire Waterworks Company at Green Lane, Walsall. Northampton Water Division has awarded a £430,000 contract for a 3m-gallon reinforced concrete reservoir with incidental pipework at Saley Forest, Northampton, with completion in December, 1980, and work has started, and is due for completion next February, on a £130,000 contract for Markham and Co. This is for designing and constructing two machine foundations on piled foundations at Broad Oak Works, Chesterfield. Work has also commenced on the design and construction of a 5,000 cubic metre reservoir for the Mid-Kent Water Company, near Lamberhurst. The company will carry out construction of an apprentice training school for British Rail Engineering at Derby under a £600,000 contract.

Wates to refurbish

TWO REFRUBISHMENT contracts worth £1m to Wates Special Works. Conversion of four six-storey houses at Onslow Gardens, London, SW7, into 16 self-contained luxury flats, and four maisonettes for Co-partnership Property Developments will include significant structural alterations, lift installations and completely new services throughout, at a cost of £300,000. Valued at £300,000, is a Spilner's project for the fitting out and conversion of St. Giles House in Drury Lane. This is scheduled for completion next February and comprises alterations to provide both executive and general offices on five floors.

More work for Jarvis

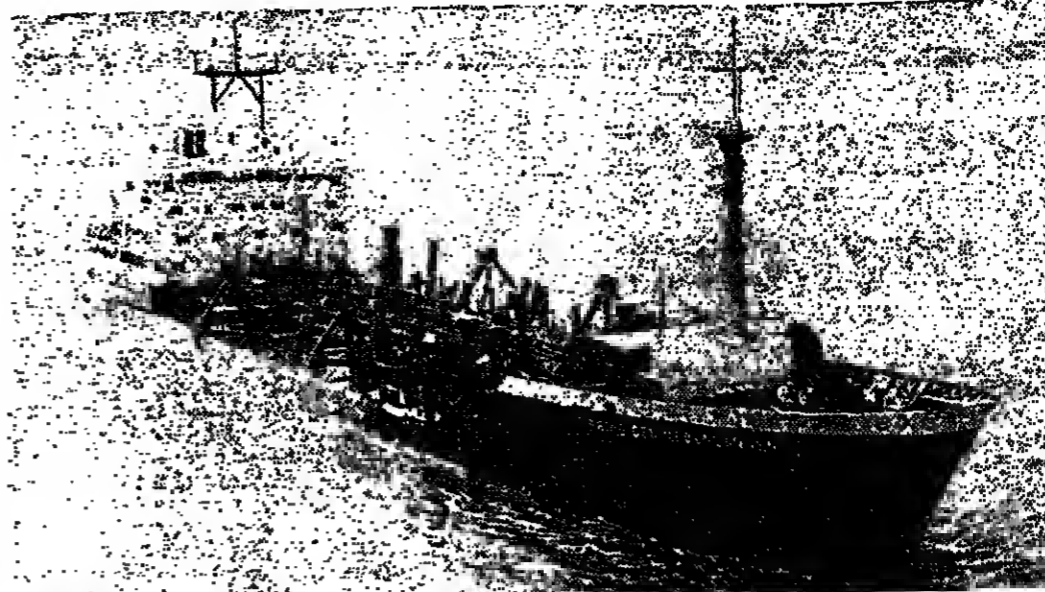
NEARLY £5m of new work in the London area and over £1m worth in the provinces have been awarded to Jarvis.

In Victoria Road, Acton, London, W3, Jarvis is to build an industrial estate of 13 warehouse and industrial units designed by Covell Matthews/John Wheatley Partnership for Second London Wall in association with the Sun Alliance Insurance Group. For the Harpur Trust of the Bedford Educational Charity a four-storey and basement block of offices with flats on the top floor are being built in Prince Street, London, W.C1. An adjoining listed Georgian building, 32 Bedford Row, will be linked to the new block and provide remodelled offices. The architect is Frederick

Gibberd and Partners. In Romford, Essex, the computer suite of the Essex Water Company is being doubled in size to the design of Gerald Stonehouse and Partners while at Lynnington, Hants, Jarvis is rebuilding the chicken processing factory of Golden Produce, part of the Fitch Lovell Group, which was destroyed by fire in August. Raymond J. Cecil and Partners of Southsea are the architects. In Manchester Jarvis is carrying out restoration work to the Liverpool Road Station for the Greater Manchester Council. The restored station building and goods shed will form part of the GCM Railway and Science Museum, for which Thomas Worthington and Sons are the architects.

Tasks for Land and Marine

PRIME AWARD in a series of contracts just won by Land and Marine, subsidiary of Royal Bos Kallis Westminster Group, is for a prestige four-storey office block at Chester. It forms part of the £2.5m total value disclosed by the company, which also covers the erection of a sheltered scheme of 51 flats at Hlynton, Liverpool, for the Liver Housing Association. Other work includes a salt loading wharf at Runcorn, sheet piling at Northwich and pipe-bridge bases at Rocksvange. These three jobs are for ICI Mond. Land and Marine is also to build a waste treatment lagoon for RV Chemicals of Widnes. Stabilisation of the river wall at



Under a \$5.5m contract to Westminster Dredging (Overseas), this hopper dredger is working in the port of Bahia Blanca for Direccion Nacional de Construcciones Portuarias y Vias Navegables of the Argentine. The intention is to remove about 2m cubic metres of material and double the width of the main shipping channel to 250 metres. The vessel is the flagship of the Royal Bos Kallis which expects to carry out further work in the area once the Bahia Blanca job has been completed.

Insurance company work Completion by Bovis

TWO TASKS just taken on by Rush and Tompkins are for insurance companies. The largest operation is worth £3.3m. It is for the United Friendly Insurance Company and provides for the construction of an eight-storey office block. Sited in London, the block will be of reinforced concrete frame structure with stone cladding, representing the third phase of the company's headquarters planning. It will thus

about a block set up by Rush and Tompkins under an earlier phase some years ago. For Royal Insurance Company, in Southampton, the builder is to carry out a substantial development worth £15,000. In the main shopping centre of the city, the development calls for the construction of a large basement and the showing up of an adjacent cinema. On this basement, a four-storey brick-clad block will be built to accommodate shops, offices and a church.

FOLLOWING THE liquidation of the original contractor, Bovis has taken over the Russell Road housing development in London for the Borough of Haringey. The award to the company is £1.3m and it will go partly towards making good damage and deterioration of the completed structures which has been due to the combined effects of the weather and the break in continuity of construction. The new target for completion of the scheme is November next year and it covers a series of two- and three-storey dwellings in Hornsey. Architects for the scheme are Howell Killick Partridge and Amis. In the West Country, the company is to extend production facilities for the thermoformed plastics packaging factory of Dickinson Robinson Group in Bristol under a £1m contract. An additional 3,700 square metres of production space is to be provided.

Aberdeen office block

AN OFFICE block and car park, worth £2.1m, will be built by Laing Scotland under a contract awarded by Aberdeen Service Company (North Sea). The six-storey, 7,100 square metre office block will provide open plan accommodation which can be subdivided to meet tenant requirements, and a linked two-storey car park will provide space for up to 104 vehicles. The building will be of re-

inforced concrete frame construction on reinforced concrete foundations with precast concrete panel cladding and aluminium framed double glazed windows. It will be built to a high standard, says the company, with a prestige entrance foyer, three fully automatic lifts, and high quality finish throughout. It is the Aberdeen Service Company's intention to transfer its headquarters to a part of the completed development.

Three jobs for Myton

THREE SEPARATE contracts with a combined value of over £1.8m have been won by Myton, member of Taylor Woodrow Group. First project, worth £922,154, was let by Fosfund Trustees and is for the erection of a single-storey warehouse building in four units with a total floor space of about 64,000 sq ft plus ancillary offices. Site is on the Riverside Industrial Estate, Middx. Another award is from Tesco. This £375,000 contract for the extension and refurbishment of an existing store in Churchill Square, Brighton. Third job is worth £331,530, and was let by the Council of the Order of St. John for London on a design-construction basis, for alterations and refurbishment of an existing building in York Street, London W1, to provide a first aid training

centre and administration headquarters for the St. John Ambulance Association and Brigade in Greater London.

New sea defences

FAIRCLOUGH CIVIL Engineering is constructing a 600 metre long stepped pavement at Sheerness under a £1.04m contract for the Southern Water Authority. The new sea defences are being built to protect the town from severe storms of the kind which has caused flooding during the last two winters and, last year, damaged existing defences. A 13-foot wave wall behind the promenade will also prevent flooding of low-lying land behind, and the sea defence will be further strengthened by a series of steel piles driven into the short-line. The promenade will be topped also by a new stretch of road, slightly higher than the existing carriage-way.

Improving houses

BOROUGH OF South Tyneside has awarded a £1.5m contract to HGS—Humphreys and Glasgow Services—for the complete modernisation of houses, including the installation of heating systems, at Horsley Hill, South Shields. Work is scheduled for completion by February, 1981.

Industrial work

AWARD OF contracts totalling £5m for industrial projects in Yorkshire, Lancashire, the Midlands and South Wales, have been made in R. M. Douglas. The largest project included in this total is a contract worth £4.3m for civil and structural work at the Stocksbridge works of the British Steel Corporation. Work has started and the contract period is 77 weeks. Consulting engineers are White Young and Partners, and the quantity surveyors are Turner and Townsend.

COST DATA FILE for the building industry

Cost Data File for the building industry, published and updated monthly, measured work in accordance with S.M.A. Prices (1978) Inc. seasonal rates for both major and minor works, material prices at large and small order levels. The first issue of CDF-78 is published in January 1980. Readers can subscribe to CDF at the pre-publication cost of £20 p.a. Please write to places for further information to: P.O. Box 4, Addison Bridge Plaza, London W14 9BB Tel: 01-833 4587

IN BRIEF

Widening of the lighthouse pier in Stranraer, Orkney, is worth £500,000 under a contract awarded to Lilley Construction. Pier is presently used by the northern lighthouse ship Pole Star which services lighthouses in the north of Scotland, including Suleskerry (Britain's most isolated light) situated in the

Atlantic 30 miles west of Orkney. Work on the Mutorlink Estate at Glasgow has been started by Rowlinson Constructions which, over the next 10 years, will build about 80 factories and warehouses on the site at Bellshill, nine miles east of the city centre.

British Aluminium Company has appointed the Ralph M. Parsons Company of New Bridge Road, Brentford, as managing contractor for the engineering, procurement, construction, commissioning and management of the £35m modernisation project of the Lochaber smelter at Fort William.

By next weekend, you could have a lot of good ideas about your building project.

Just send for the Atcost brochure. It's full of good ideas about building cost-effective factories, warehouses, workshops, office blocks and showrooms.

Name _____
 Company _____
 Address _____
 Telephone _____

FT2

ATCOST

Send to: 22, Old Bond Street, London W1X 3DA. 01-493 0802. SCOTLAND Munro Road, Stirling FK7 7TA, Stirling 62911.

SEA DEFENCES

MEARS ABILITY

From sea defences to industrial building, road construction, office building, bridge construction and residential accommodation, Mears offer a wide experience in both public and private sector contracts from six local offices.

For further information contact the Marketing Department at Swindon.
 Mears Contractors Ltd, Dorcan House, Dorcan Way, Swindon, Wiltshire, SN3 3TS.
 Tel: Swindon (0753) 40111. Telex: 449824.
 A member of the Edmund Nutall Group of Companies.

Tekurat Unique flat roof insulation

Evode Roofing Limited, Common Road, Stafford ST16 3EH. Telephone: Stafford (0785) 45121.

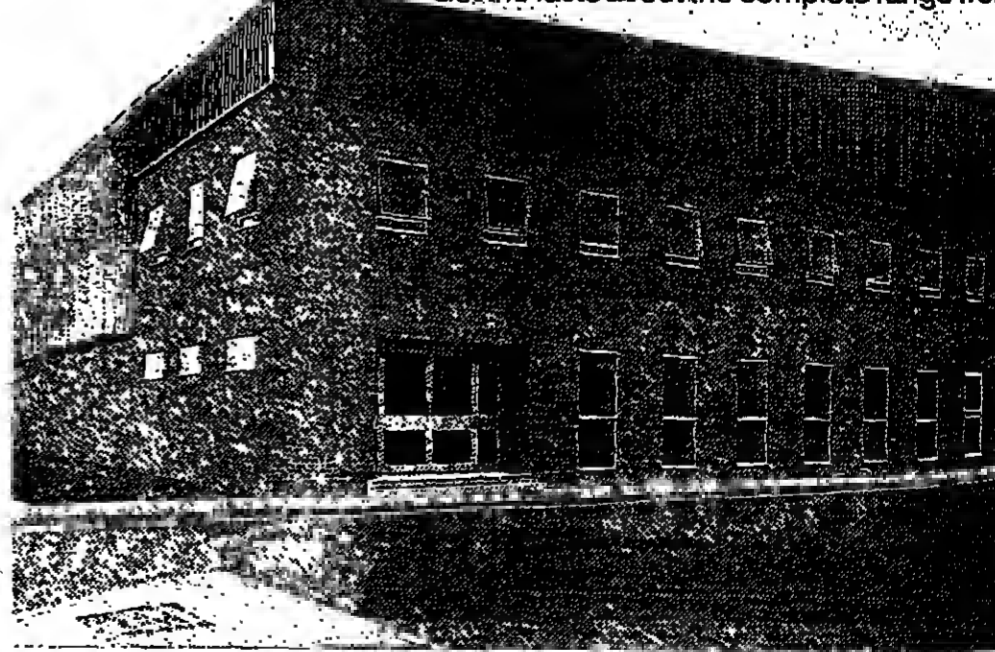
FORK LIFT TRUCKS

We are looking for export orders for the Sale of 100 used Fork Lift Trucks. Finance and deliveries arranged worldwide.

BIRMINGHAM FORK LIFT TRUCK LTD.
 4-8 Hams Road, Salfrey, Birmingham, B8 1DU.
 Tel: 021-327 5944/5 Telex: 337052

Today's Industrial Buildings

Bell & Webster manufacture a wide range of industrial frame buildings. The simplicity and cost effectiveness of this proven system cuts construction time, offers the builder and the industrial user a custom built product and meets a wide range of budgetary requirements.



Bell & Webster Ltd
 Belcon House, Essex Road, Hoddesdon, Herts EN11 0DR. Telephone: (61) 67141

We did it for Haringey Let's do it for you!

London Borough of Haringey redevelopment project incorporating Woolworth, Sainsbury's, Co-op Electricity Supply Nominees

FAIRWEATHER

H. FAIRWEATHER & Co. Ltd. Incorporated over 50 years Building & Civil Engineering Contractors, Clifton House, Pottery Row, Herts EN6 1AY. Potters, Bar 01212 Regional Offices: Attnicham, Chester: 061-928 2641 Ltd at Wexham, Sharnham, (093 954) 2830 Staffs, Wickerley (079 664) 7191

The National Construction Division of the **WOOD HALL** Building Group

NOW IT'S SOLD, HOW DO WE DELIVER?

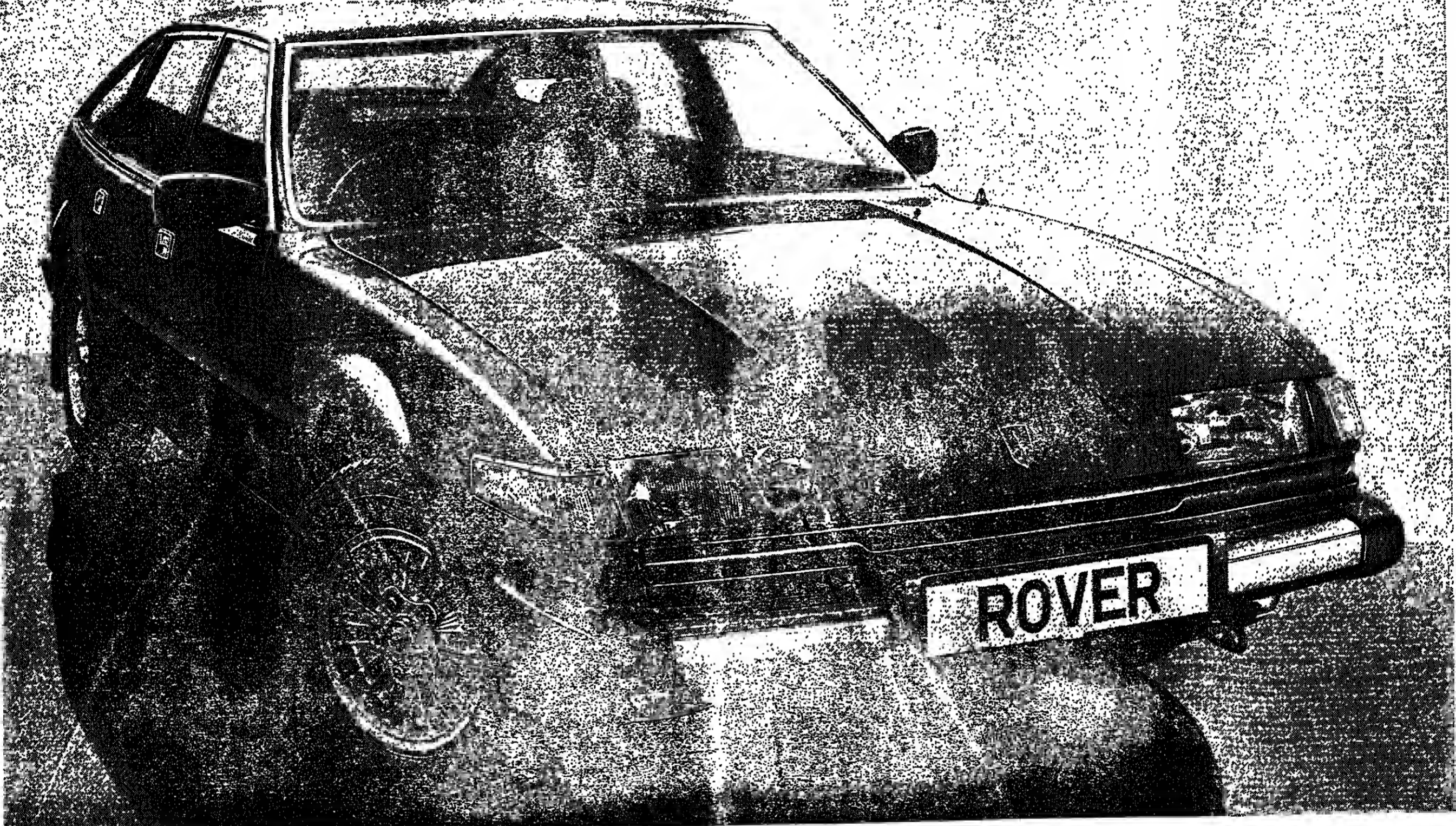
The answer is that YOU don't, WE do! WE are Specialist Project Shippers—that is to say WE handle all those Big, Awkward Pieces and Volume Movements that everyone else seems to have problems with. Nothing is too complex, heavy or large for us to handle. We will collect from manufacturer and deliver to installation site anywhere in the world, plus complete all necessary documentation. YOU deal with just one company throughout, thus reducing YOUR management commitment to the minimum. Let the specialists handle your work—

ANGLO DUTCH SHIPPING

Tel: 0630 5151-5173 Telex: 35364 ADSHIPG

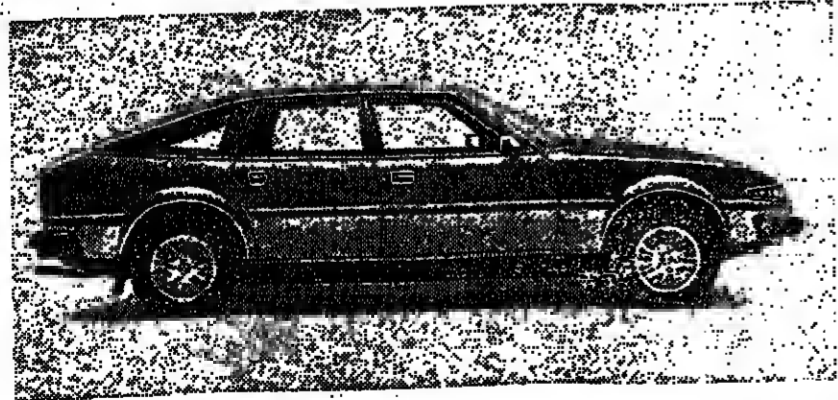
هكذا من العمل

WHAT SHAPE WILL YOUR CAR BE IN FOR THE 1980's?



More economical shape

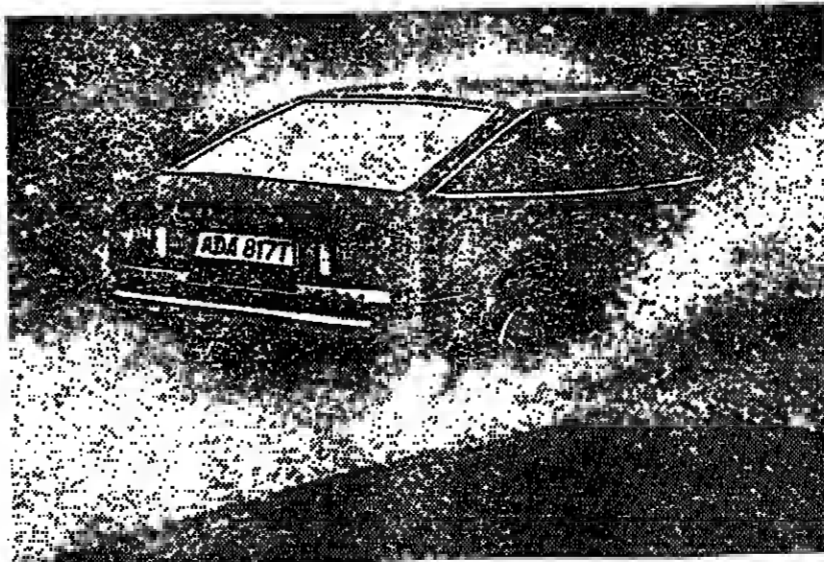
The motoring times are changing fast. Most of the big saloon cars designed for the '70s are beginning to look decidedly inefficient and out of date. With four notable exceptions. The new Rovers—2300, 2600, 3500 and V8S—were designed for the 1980's from their very conception, with a unique combination of high performance, high quality, outstanding design and quite exceptional fuel economy.



In the 1980's, a fuel saving aerodynamic shape will be essential. Rover's design is well ahead of its time and its competition. Rover elegance is a direct consequence of aerodynamic efficiency, giving an unmatched balance of performance with economy—the powerful Rover 3500, for instance, cruises at 36mpg* and reaches 122mph.

Better shape

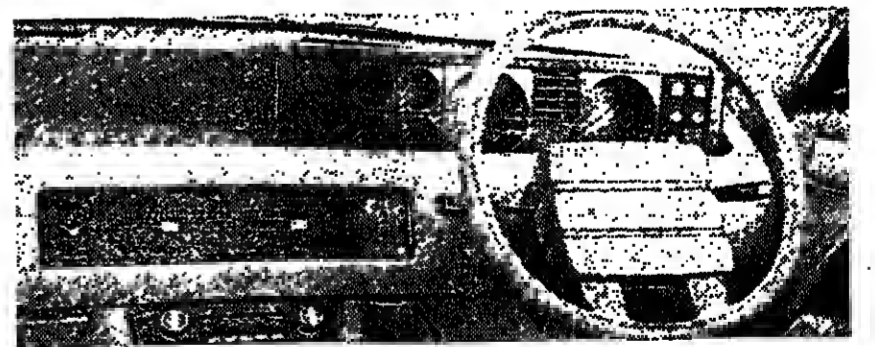
The 1980's will demand better built, longer lasting cars. Every Rover passes through a succession of the most stringent quality control checks known in the car industry. The paint and protection process alone is one of the most sophisticated in the world: 2 layers of anti-chip primer are electrostatically bonded to the body before 4 coats of thermoplastic, anti-fade paint are baked on.



Long term durability is tested in conditions ranging from the Texas deserts to the Lapland snowfields.

Safer shape

The 1980's will have their hazards. Today's Rovers are designed to protect you from them. They share a strong, monocoque body shell with impact absorption zones front and rear, and energy-absorbing compression struts in the door panels. The fuel tank is securely positioned in front of the rear axle and the system carries a fuel cut-out switch, to minimise accident fire risk. Every Rover is fitted with a



Triplex Ten Twenty Superlaminated safety windscreen. The brakes have a failsafe dual circuit. Inside, potential impact areas are padded and all the car's essential systems are monitored and displayed on the fascia.

The Rovers for the 1980's are obtainable now from your Rover showroom. A test drive will soon show you the difference between yesterday's car and tomorrow's.

Rover. In great shape for the 80's.

*Complete Government Fuel Consumption Figures, Rover 5-speed manual: 2300 urban motoring 17.5mpg (16.1 litres/100km); constant 36mph (90km/h) 36.8mpg (7.7 litres/100km); constant 75mph (120km/h) 31.0mpg (9.1 litres/100km). 2600 urban motoring 18.5mpg (15.3 litres/100km); constant 56mph (90km/h) 38.2mpg (7.4 litres/100km); constant 75mph (120km/h) 30.2mpg (9.4 litres/100km). 2500 urban motoring 16.2mpg (17.4 litres/100km); constant 56mph (90km/h) 36.3mpg (7.9 litres/100km); constant 75mph (120km/h) 27.9mpg (10.1 litres/100km). 5-speed gearbox optional on the 2300. Car shown features optional alloy wheels.

The nearest Rover dealer is listed on the back of the Rover map. Please complete and send to:
Rover Information Service, Jaguar Rover, Triumph, FIAT, Leyland, BMC & Oxford OX4 1JF

TITLE: _____
NO AND STREET: _____
CITY: _____
COUNTRY: _____
POSTCODE: _____

Rover
2300/2600
3500
V8S

THE MANAGEMENT PAGE

EXECUTIVE HEALTH

BY DR. DAVID CARRICK

A case for much more stringent road tests

The concentration of irrelevant circumstances coming close together can conceal into a complement concerning which certain conjectures can be considered... possible solutions indicated for alleviating injury and death due to an unnecessary modern pestilence — the motorised vehicle and its conductor.

Too often senseless casualties arise from avoidable causes — including carelessness, callousness, callowness, and physical or mental incompetence

During the past few weeks, certain events have led me to speculate on the ever-increasing list of disasters which yearly kill the country of individuals who are irreplaceable — not only to their relatives but also frequently to the nation as a whole.

First came an unexpected blow: my wife's small car filled its MOT because of rust in that mysterious area beloved of garage-men, the "sub-frame."

Calamity

Second came the depressing experience of having to examine the banker's daughter, a girl of 19 who, until recently, had been a first-class athlete, had an academic ability which should have taken her far, and had also possessed considerable beauty.

All these blessings were lighted by a second of calamity. She survived the car crash, but now has one leg much shorter than the other and a deep indentation in her forehead which, presumably, is the visible indication of the internal damage that causes her to drift off into trances every few minutes.

The third occurrence was somewhat bizarre. Having travelled in the dirty, rattling discomfort — for which one pays so much on a BR train, with a suspension that would have made that of a medieval wherry seem smoother than silk, I encountered a somewhat unflattering acquaintance staring out of the station.

ment that screams round blind bends. The successful would then be taught driving — not how to pass the test. They should be instructed in a few common hazards such as slippery roads, the effect of gales, and the problems of had visibility. Then, after passing the test, a year's probation should be enforced, because it is in that first year that many tragedies occur.

Monsters

But what of motor-bikes? What indeed! There are no real tests at all. Any 16-year-old can buy one of these unstable monsters and let his exhilaration exceed his experience. The tragedies are many, but one must admit that they are not always the fault of the riders. Sometimes they are in the right. Unhappily, that is of no solace to the relatives who are left.

As he is a man in late middle...

LIKE A heavy-footed giant, eager to change direction but unable to do so with any speed, BAT Industries has made strenuous efforts to diversify in the past 15 years.

In the mid-1960s, it moved into cosmetics, later it spread into the paper industry, and finally it muscled in on the retail market on both sides of the Atlantic. Its latest step, the full acquisition of Mardon Packaging International, is hardly a leap in the dark, but it does underline BAT's continued desire to develop sources of profit other than its predominant tobacco interests.

The increase in BAT's Mardon stake from 30 per cent to 100 per cent by the purchase of Imperial Group's interest, for nearly £88m, will tip the scales slightly further away from tobacco which, while providing 70 per cent of its profits, now accounts for little more than half the total assets.

For Mardon, the full move into the BAT empire, after 17 years of shared ownership, will clear the air, since the company had been starting to feel slightly anxious about its future. "It was right for us to go one way or the other," comments John Cornish, Mardon's chairman and managing director.

experts to promote the ambitions of its new subsidiary. Mardon is, by its own admission, a low profile company, even though it is Britain's number two packaging concern — behind Metal Box, which is in a different segment of the market. It also ranks number eight in Europe. The product in which it really holds sway is folding cartons, of which it is Europe's main producer; these are responsible for nearly a third of total sales.

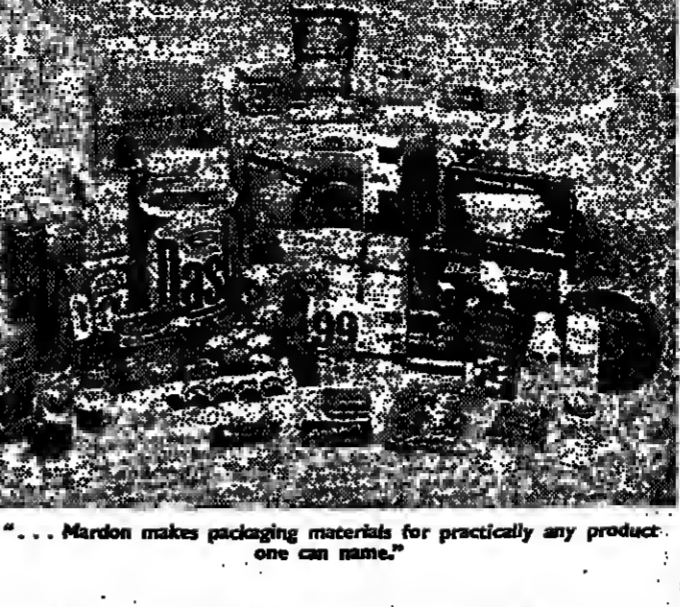
Slower growth

Only BAT's paper interests, primarily Wiggins Teape in Britain and Appleton Papers in the U.S., — the latter bought for £153m last year — have performed vigorously enough to match the sort of profit margins provided by tobacco. Paper accounted for 12 per cent of group trading profits in the financial year to September 30, 1978, and achieved a 9.2 per cent return on sales against 7.6 per cent for tobacco, 1.6 per cent for retail activities, and 4.3 per cent for cosmetics.

A selection of Dr. Carrick's past articles on various health topics has recently been published by Bay Books, under the title of *Executive Health*. Price £4.95.

Andrew Fisher on the tobacco giant which went into packaging

BAT tries to box clever



"... Mardon makes packaging materials for practically any product one can name."

When Imperial and BAT formed Mardon back in 1962 from five companies which mainly supplied packaging to the tobacco industry, they each put in £2m. Turnover in the first year was less than £15m. By the end of Mardon's latest financial year to September 30, 1978, this had grown to some £360m, an advance of around 15 per cent on 1977-78.

Profits have also moved vigorously ahead, although last year's growth at the pre-tax level was only just over 7 1/2 per cent to £237m compared with 11 per cent in the previous 12 months. The slowdown was caused mainly by the impact of a packaging industry dispute on North American earnings, with sterling's strength, new machinery problems in the can-making sector, the UK road haulage strike in early 1979, and the decision not to consolidate profits of the Zambian business for political reasons, also playing their part.

Yet John Symons, BAT's finance director and a member of the Mardon Board, expects the growth rate to accelerate in the future. And while admitting that the addition of Mardon will eventually help to offset his parent's problems with advance corporation tax — nearly 44 per cent of BAT's 1977-78 profits of £433m went in tax, against 26 per cent the year before — he indicates that the deal should not necessarily be seen in that context. It is simply too expensive to march in and buy a company with worthwhile UK earnings, he says. "The most effective way to minimise ACT is to make what we've got in the UK work better and better."

Under the wing of BAT, Mardon should have a much wider scope outside the UK. It has already been thrusting ahead in Canada and the U.S., where it

makes about a quarter of its total sales, and does nearly a tenth of its business in the rest of Europe. With the aid of BAT's strong presence in a variety of other markets, Mardon could also penetrate such unfamiliar markets as Brazil, Mexico, Nigeria, Indonesia and Malaysia.

How will BAT handle Mardon, now that it has become its sole owner? It will not, for one thing, integrate the company with its large existing paper division. Mardon will be operated as a separate activity within the BAT orbit, retaining its flexibility but adopting its management structure to accommodate the increased growth expectations.

The number of BAT directors of Mardon will rise from two to three and there will be a slight rise in the small number of staff at Mardon's head office in Bristol. But this, says Webber, will not mean the insertion of any more layers of management — we like to have a fast-moving, short communication line from top to bottom. This reflects the flexibility of approach needed by Mardon to keep up with the varied and rapidly changing needs of its customers.

The industry in which Mardon operates is a large one. Total turnover in UK packaging is around £4bn and while this is divided among many companies, Mardon has sold shares of some key sectors. It competes for more than a fifth of the whole packaging market and around 15 per cent of folding carton output. Its largest European company is the French Grandet Emballages; Webber describes France as "a tough market, highly competitive and very fragmented". In North America, it has operated directly, and also through Lawson and Jones of Canada, in which it has a 75 per cent stake.

Clearly, BAT does not foresee any upward surprises coming from Mardon. "We've always been very happy, very pleased, and very intrigued by it," says Macadam about BAT's past association with the company. At the very least, its new investment in Mardon should prove a good deal less traumatic than some of the other excursions outside tobacco.

Imperial, for its part, now has its eyes on the U.S. hotel and restaurant market with a controversial \$630m (£300m) bid for



At the end of the day a banker is concerned about people

This is a special aspect that also concerns you. Banking revolves around confidence and trust in people. I observe that around the world the happiness and stability of countries is a reflection of the way in which their people show care for one another. Thoughtfulness actually pays dividends. There is one great change that has happened in society almost unnoticed and needs thought and action — many people are living much longer, and we have done little to adjust to the consequences. Thousands of the old are left in complete loneliness; housebound and with never a visitor. Cold and hunger condemn others to suffering and slow death. Medical advance has not been matched by social advance. Most of the developing countries have no social services and even lack sufficient food, particularly in disaster areas. One organisation is pre-eminent in using care, imagination and voluntary initiative to remedy this neglect — Help the Aged. When considering your bequests to the future, think of the way in which a legacy for such work can go on benefiting others for years to come. Tax concessions now mean that a gift can cost your estate less than its charitable value. Testators may specify if they wish a bequest to be used for a particular purpose. Write or telephone for interesting information booklets and the annual report and accounts to: The Hon. Treasurer, The Rt. Hon. Lord Maybray-King, Help the Aged, Room F76L, 32 Dover Street, London W1A 2AP (telephone 01-499 0972).

Rank animosity

BY MICHAEL DIXON

THE superior smiles of Rank Xerox, winners of the national management championship in three of the last four years, have evidently provoked animosity among entrants for the 11th annual contest to start in the new year.

Informal mutterings heard at the National Management Game's London headquarters suggest that the chance to humiliate the triple champions is as much a lure to some 1980 competitors as is the prize list. This consists of £2,000 plus a seminar at Management Centre Europe in Brussels for the winners, £1,000 for the second team, £750 for the third, and £500 for the fourth.

One of the 480 entrants so far registered has even put its animosity on public record by adopting the team name of "Zerocks Crushers."

But there is also evidence that Rank Xerox has sensed the coming attack and prepared for an especially strong defence of its title. The company's leading team for 1980 is said to combine Neil Tomkin, last year's winner, with John Chappell and Paul Webb, who took the UK title in 1976 and a year later not only repeated their national win but also took the European management championship.

Plate

The date for the finals of the subsidiary "Plate" competition for entrants knocked out in the first round, have still to be set. But entry lists are scheduled to close on December 3, and the administrators advise would-be champions to register without delay at the National Management Game, Victoria House, Southampton Row, London WC1B 4EL; telephone 01-942 7866.

From now on your parcels are as close as your phone

From November Wilkinson Transport switch on the final phase of Wilkicontrol — the first fully computerised control system in the UK parcels industry. So from now on, whenever you want to know anything about any parcel being carried by us, you just pick up the 'phone and you'll be given instantly whatever information you need: the exact whereabouts of your consignment. No waiting. No dithering. No excuses.

Wilicontrol, which links all 16 depots to a central point, gives Wilkinson customers many distinct advantages, and gives Wilkinson staff time to do what they do best — to really care about their customers.

Besides the 16 depots, 1600 caring staff and Wilkicontrol itself, they also offer 600 trucks, 300 trailers, and an average transit time of between two and three days.

They self-insure every parcel, keep paperwork low and courtesy high. They visit every High Street and industrial estate practically every day, and are used by many top names either exclusively or to supplement company fleets.

If you want a fast, reliable and safe parcels service with instant information over the 'phone, and the sort of care you've only heard about, call Wilkinson. Wilkinson Transport Ltd., Ringway House, 45 Ball Street, BIRMINGHAM B4 6UP. Tel: (021) 236 9773/2. Telex: 339165.

Wilkinson Transport
The one that still cares

THE FITTINGHAMS

The Executive Exercise is the perfect way for the executive and his family to become fit. You can exercise to your own individual programme, whenever you want. Available from leading departmental and sports stores or write to us for your nearest stockists.

TUNTURI
PUCHTUNTURI

Shy-Puch-Puch (GB) Limited, Dept. F712/A 1, Shy-Puch House, 211 Lower Parliament Street, Nottingham NG1 1FZ. Tel: (0522) 58521.

هكذا من العمل

Black is bellissima.



Bellini. A special Fiat 132.

In black only with alloy wheels, check upholstery, coach lines, radio, sun-roof and remote-controlled door mirror.

Beautiful, si?



THE FIAT 132 BELLINI AT £5,963. PRICE INCLUDES: CAR TAX, VAT AND FRONT SEAT BELTS, BUT EXCLUDES NUMBER PLATES AND DELIVERY CHARGES. PRICE CORRECT AT TIME OF GOING TO PRESS. FOR YOUR INFORMATION KIT WRITE TO: FIAT INFORMATION SERVICE, DEPT. FT1, PO BOX 39, WINDSOR, BERKS SL4 3SP OR PHONE WINDSOR 56702/3.

UK NEWS

NEWS ANALYSIS — RESALE PRICE MAINTENANCE

Discount battle simmers on after 15 years

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

TESCO'S COMPLAINT to the Office of Fair Trading that Thorn allegedly refused to supply Tesco with Ferguson audio and television equipment is the latest move in a dispute which has simmered between retailers and manufacturers for two decades.

In the early 1960s, the emergence of retailers willing to generate higher volume sales by cutting prices led to bitter legal battles, as manufacturers tried to force retailers to sell at a recommended price.

Tesco was often in the forefront of these battles and was sometimes taken to court. Carpet-cleaner manufacturers, for example, secured a High Court order to stop Tesco selling their cleaning materials at £1 below the recommended selling price of £3 7s 6d.

Yet in 1964, when Mr. Edward Heath was responsible for statutory abolition of resale price maintenance, it appeared that Tesco and other retailers had won their fight. Apart from two exceptions, covering books and medicines, manufacturers could no longer insist on retailers selling at a recommended price.

However, 15 years after resale price maintenance was formally abolished many manufacturers are still fighting to dictate the prices at which their goods are sold.

Earlier, this year, for example, the Office of Fair Trading took Hotpoint, a subsidiary of the General Electric Company, to the High Court, to secure its agreement to supply the Comet discount chain on similar terms to other customers. Comet had complained that Hotpoint had refused to supply it with electrical appliances because of Comet's discount trading policy.

Similarly, the Philips Industries group was asked by the OFT last year to explain its pricing policies. This followed suggestions in the trade that retailers who sold Philips electrical appliances at below the recommended price, were having difficulty in obtaining supplies from Philips. Philips assured the OFT that it would not withhold supplies to retailers who cut prices.

It is not just electrical appliances, however, that have proved the main source of conflict between manufacturers and retailers—although the scope for cutting prices of electrical goods is greater because of their relatively high value and profit margins.

Retailers allege that other areas—such as cosmetics, cameras, clothes (especially men's shirts and women's underwear), sports goods, and jewellery and watches—are

all subject to unofficial resale price maintenance.

The Argos discount stores chain, for example, has claimed that it has been unable to obtain Seiko digital watches from the official suppliers because it wanted to offer them at about £40 cheaper than the £138 list price. Argos, however, has found an unofficial trade supplier and its sale of Seiko watches at a discount has forced other retailers to cut prices.

Manufacturers' determination to impose a recommended price level below which retailers should not sell is not, however, adopted out of any desire that consumers should not benefit from lower prices. After all, lower prices, in theory, should lead to a higher volume of sales for manufacturers' products. The usual objection by manufacturers to discount selling is that their products' brand image can suffer irreparable damage through cut-price selling.

Facilities

Manufacturers argue that retailers can afford to sell at a reduced price because they offer little service facilities, either before or after purchase.

Cosmetic manufacturers, for example, believe it important that specialist sales staff help consumers buy the right cosmetic to ensure customer satisfaction.

Electrical appliance manufacturers also are concerned that discount retailers do not offer a specialist service—such as delivery and installation in the customer's home.

Yet there is also a more subtle reason for manufacturers' reluctance to give in on prices to discount retailers. Manufacturers fear that cut-price selling by multiple retailers will increase their dominance of the retail market and, as retailers become more powerful, they will be able to dictate supply terms from the manufacturers. This is what has happened in some sectors of the food industry, and non-food manufacturers are determined to prevent a similar situation.

Retailers who sell at a discount however, have long maintained lower prices encouraging greater retail efficiency. They argue that consumers should be allowed to choose whether they want lower prices or more specialist sales service.

Beneficial

This view was shared by the recent report of the Internal Whitehall committee on restrictive trade practices policy. This report says the "net outcome of abandoning resale price main-

tenance has been beneficial." Apart from lower prices, the report says "there seems little doubt that the more competitive retailing environment which resulted helped to reduce internal inefficiency."

But the report acknowledges that "small independent shopkeepers and some of their customers may have suffered some disadvantages."

The report is also concerned at the problems of enforcing the legislation which prohibits resale price maintenance. The OFT is also anxious to ensure that the law is not circumvented by enterprising manufacturers, and it intends to investigate every complaint.

Its problem is obtaining sufficient evidence on which to base its investigation, since many retailers are reluctant to give evidence for fear of further supply problems with manufacturers. Moreover, in some cases it is groups of small retailers who are trying to stop manufacturers supplying the big discount multiple chains.

The loopholes in the law are also spelt out by the report which concludes that while the legislation does not require substantial revision, "it would be desirable to find ways of dealing with enforcement problems either by amendments to the Resale Prices Act, or as part of a wider approach to uncompetitive practices."

That wider approach is being planned under the Government's Competition Bill, presently going through Parliament. However, the legislation gives no direct means of closing the loopholes in the Resale Prices Act of 1964 and 1976. Unless some amendments are included at this late stage in the Competition Bill, the OFT will still face an uphill struggle to enforce the law.

The fine tuning behind Miss World's fantasy

ON THURSDAY evening amid singing strings, piercing spotlights, cheering crowds and searching television cameras a young woman, probably not long out of school, will shed tears as she is crowned Miss World.

For her it will mean a step into the fantasy world of show business fame and perhaps fortune; for Grand Metropolitan's Mecca subsidiary it means an assessment of whether some £500,000 has been well spent; for Julia and Eric Morley, who still run the event it will be a night of emotional and commercial significance; and for the 20m people in Britain who will watch the show it will be time to abuse the judges and make coffee.

As part of the settlement when Mecca and Eric Morley parted company nearly 15 months ago, the Morleys were given the contract to run Miss World for five years. The day-to-day running is in the hands of Julia.

Since the remarkably public row with Grand Met the relationship between the couple and Maxwell Joseph's hotels-brewing conglomerate has been surprisingly smooth. After using a Trust House Forte hotel, the Waldorf, as headquarters for some years, the Miss World circus has now pitched camp in a Grand Met property, the Britannia.

The Mecca investment—which of course is reduced by substantial receipts for such things as television rights and other residuals—produces "a remarkable amount of goodwill," reckons Mrs. Morley. Mecca would be hard put to it to buy the amount of television and Press space the competition produces.

Miss World is a rather different competition from its major competitor, Miss Universe. The Miss World show is a much more relaxed affair. The 70 girls involved may have chaperones—a ratio of about one to every six contestants—but they are in no way

imprisoned. On Saturday, for example each went her separate way, some joining the burly bursary of the Oxford Street Marks and Spencers.

Much of the overt business pressure that presents itself at a Miss Universe competition is absent; which is largely due to the BBC's need to keep its screens free of brand names and ill-disguised advertising.

This year's competition, at least for the moment, is fairly relaxed compared with some previous years. Political battles, Arthur Sandles on the background to the Miss World contest, which takes place on Thursday amid the usual mixture of high emotion and hard-headed commercialism.

Women's liberation protests and last year's internal warfare within the Grand Met group have all added an edge.

Most of the headline-grabbing problems of the past have been sprung on the Miss World competition from without rather than thanks to any fault in the organisation itself, which is under the steel grip of the Morleys, and notably Mrs. Morley, a tall, slender bundle of energy and involvement who looks considerably younger than the 40 years she has just celebrated and who suffers little in comparison with the beauties who surround her.

Julia Morley is one of those baffling contrasting personalities who combine an almost childlike enthusiasm with firm discipline. You do not cross her lightly and any visitor to the Miss World organisation comes away with the view that the whole thing would be rather different without her.

High on her list of betas noir are people carrying Press cards. For years, Fleet Street

has been trying to find dirt in the Miss World event, and scarcely produced a speck of dust in the process. Nonetheless, the Morleys tend to get a bad Press and the scars show. But in the case of Miss World, the Morleys need the media and the media need Miss World.

Last year I was in the Morley bad books for coverage of the great Boardroom row. This year the main target is a tabloid journalist who referred to Mrs. Morley's rather modest fingernails as "talons."

Oddly enough, the competition has moved further and further away from commercialism over the years and deeper into charity. Vast sums are raised, mainly to aid children. In the short time that the girls are in Britain, they will assist in producing around £100,000 for the Variety Club's work among children.

"I only choose the Variety Club because its administrative costs (around 6 per cent) are so low," says Mrs. Morley. At a recent lunch I saw £12,000 raised by Eric Morley in auctioning presents which the girls had brought with them, usually little more than tokens.

The actual total is difficult to assess because each girl is involved in domestic charitable money-raising activities. Many of them have become caught up with a "Beauty with a Purpose" campaign; and there is a separate £1,000 prize for the contestant who has worked hardest at that—the money goes to her charity, not her.

Although there are some notable absences in the East, the Middle East, Eastern Europe and South Africa among them, clearly the Morleys regard this as one international event where there is nothing but sweetness and light.

"People call this a 'cattle market,'" says Mrs. Morley. "Well, all I can say is that with all the friendliness and co-operation we have here there ought to be lots more 'cattle markets'."

ICI fears pressure over fluorocarbons

BY SUE CAMERON, CHEMICALS CORRESPONDENT

THE Imperial Chemical Industries fears that the U.S. Environmental Protection Agency will go in for "dirty play" in an attempt to persuade the European Economic Community to ban the use of chlorofluorocarbons—CFCs—as aerosol propellants.

ICI said on Friday that the EPA was due to receive a scientific report on CFCs. The group warned that the agency was likely to use some of the predictions made in the report to exaggerate the dangers of CFCs.

The aim would be to stimulate protest on this side of the Atlantic and so stop the Council of Ministers ratifying moderate proposals to restrict the use of

CFCs as aerosol propellants in Europe.

The U.S. has already introduced a near-total ban on the use of CFCs as aerosol propellants on the grounds that the chemicals are destroying the ozone layer in the earth's atmosphere.

The breaking down of the ozone layer would enable more ultra-violet rays to reach the earth's surface and this in turn could lead to a higher incidence of skin cancer in human beings.

The European Community is proposing to make a 50 per cent cut in the use of CFCs as aerosol propellants by the end of 1981. It is also planning to ban any increase in European CFC production capacity. It does not believe that the

present evidence of the dangers of CFCs is strong enough to justify more stringent moves.

ICI claims the issue has become a political matter and the agency would find this task far easier if it could point to a ban on CFC aerosol propellants in Europe.

ICI, who accounts for well over 50 per cent of CFC production in the UK, says: "ICI is not happy with the present European proposals because we do not think the case against CFCs—especially CFCs 11 and 12—has been proved by any means. On the other hand we do find the Commission's proposals acceptable."

"But if Europe were to ban the use of CFCs as aerosol propellants altogether, the cost in

money terms would be vast and there would be tens of thousands of redundant jobs."

The scientific report sent to the EPA has been drawn up by the U.S. National Academy of Sciences' panel on atmospheric chemistry.

ICI, one of the eight CFC producers in the EEC, said outline details of the report had been released a month ago. The panel had used a theoretical model, but this model appeared to have left out a number of factors including the possible effect of carbon dioxide from burned fuels collecting over the earth's surface, creating a "greenhouse" effect, and speeding up the natural creation of ozone in the higher atmosphere.

PLANT & MACHINERY SALES

- 1) ROLLING MILLS
 - 20in x 30in x 350 h.p. Two High Reversing MRL.
 - 5in x 12in x 10in wide variable speed Four High Mill.
 - 3.5in x 8in x 9in wide variable speed Four High Mill.
 - 10in x 16in wide fixed speed Two High Mill.
 - 10in x 12in wide fixed speed Two High Mill.
 - 6in x 16in x 20in wide Four High Mill.
- 2) CUT/LENGTH LINE 1,500 mm x 3 mm x 15 Ton Coil.
- 3) CUT/LENGTH LINE 1,000 mm x 2 mm.
- 4) CUT/LENGTH LINE 750 mm x 3 mm.
- 5) CUT/LENGTH LINE 400 mm x 3 mm.
- 6) WIRE FLATTENING AND NARROW STRIP ROLLING MILL
 - two stand by R.W.F. 10in x 8in rolls.
- 7) SLITTING LINE 920 mm x 10 ton coil by Cam.
- 8) SLITTING LINE 300 mm x 1 ton coil by Cam.
- 9) SLITTING MACHINES 36" and 48" by Weybridge.
- 10) 350 h.p. REVERSING MILL, 20in x 30in rolls. Farmer Norton.
- 11) PLATE SHEAR 4 ft x 1in Cincinnati.
- 12) GUILLOTINE 8ft x 0.125in Pearson.
- 13) No. 1 PIECE CRAP SHEAR, 75 x 35 mm bar.
- 14) SHEET LEVELLING ROLLING, 920, 1,150 and 1,850 mm wide.
- 15) HYDRAULIC SCRAP BALLING PRESS, Flinding & Plat.
- 16) FORGING HAMMER 3 cwt. slide type, Massey.
- 17) VERTICAL WIRE DRAWING BLOCKS 24in dia. x 25 h.p. Farmer Norton.
- 18) AUTOMATED COLD SAW, non ferrous. Noble & Lund.
- 19) WIRE DRAWING MACHINE, MARSHALL RICHARDS VARIABLE SPEED 6 BLOCK PACEMAKER (25 hp x 22 inch in line, non-slip DrawBlocks).
- 20) 1972 WIRE STRAIGHTEN AND CUT-TO-LENGTH MACHINE. Max capacity 10 mm dia. m.s.
- 21) HORIZONTAL DRAW BLOCK 36in Farmer Norton.
- 22) WIRE DRAWING MACHINE 9 DIE cone type. Unity.
- 23) WIRE DRAWING MACHINE 15 DIE cone type. Marshall Richards.
- 24) COMPLETE BICYCLE RIM MANUFACTURING PLANT for disposal, capacity 300 rims per hour.
- 25) 6500 CFM ATMOSPHERE GENERATOR (nitrogen by incandescent for disposal).

Wednesbury Machine Co. Ltd.
Oxford Street, Bilston,
West Midlands.

Tel: 0922 42541/2/3. Telex: 336414

- WICKMAN 1" 6SP AUTOMATIC. Spindle stopping, cross drilling, Pickup attachment, 3 drilling spindles, swarf conveyor, will turn and index to maker's limits. Excellent.
- WICKMAN 1" 6SP AUTOMATIC, reconditioned to maker's limits.
- WICKMAN 1" 6SP AUTOMATIC. Rebuilt to maker's limits.
- WICKMAN 2" 6SP AUTOMATIC, reconditioned to maker's limits.
- NEW BRITAIN 6SP AUTOMATIC 1". Rebuilt.
- CONOMATIC 1" 6SP. Rebuilt to maker's limits.
- CONOMATIC 1" 6SP, reconditioned to maker's limits.
- CINCINNATI CENTRELESS GRINDER, reconditioned. Excellent.
- MCKAY 8" WIDE SHEET METAL PROCESSOR.
- UPSET FORGING MACHINE 750 TONS capacity 4in dia.
- BARBER & COLMAN HOBBER 16-16. Almost New Condition.
- BURGMASER TURRET DRILL, 6 spindle, capacity 1". Excellent.
- JUNG C8 INTERNAL GRINDER. Rebuilt. Excellent.
- DELAPENA VERTICAL HONER, 6in dia. Excellent.
- PETER WOLTERS DOUBLE DISC LAPPER, 32in dia. Reconditioned.
- RHODES 80 TONS PRESS, adj. stroke, roll feeds. As New.
- HME 100 TONS KNUCKLE PRESS. As New.
- HME 200 TONS PRESS TYPE C28, roll feeds. Excellent.
- WIEDMANN TURRET PRESS, 18 station, 28" x 40". Rebuilt.
- 200 TONS SCHULER HIGH SPEED PRESS, 200 spm. Excellent.
- NATIONAL COLD HEADERS 1" x 1" dia. Recond. Excellent.
- 1500 TON CLEARING DOUBLE ACTION PRESS, bed 180" x 96".
- LUMSDEN GRINDER, vertical spindle capacity 84" x 24".
- NATIONAL COLD HEADERS 1" x 1" dia. Recond. Excellent.
- WICKMAN 1" 6SP AUTOMATIC, reconditioned to maker's limits.
- WICKMAN 1" 6SP AUTOMATIC, Rebuilt to maker's limits.
- WICKMAN 2" 6SP AUTOMATIC, reconditioned to maker's limits.
- CONOMATIC 1" 6SP, reconditioned to maker's limits.
- UPSET FORGING MACHINE 750 TONS capacity 4in dia.
- HME 100 TONS KNUCKLE PRESS, As New.
- HME 200 TONS PRESS TYPE C28, roll feeds. Excellent.

Rolls Tools Ltd.
154/6 Blackfriars Road, London SE1 8EN
Tel: 01-928 3131. Telex: 261771

Save pounds with

Amsterdam
£49.50
return

Brussels
£49.50
return

Dublin
£47
return

Geneva
£80.50
return

هكتا من النحل

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHÖETERS

QUALITY CONTROL

In pursuit of an ideal

A BRITISH Standard which, if applied, could help provide the UK with a new reputation for quality in industry, has just been published.

It draws upon the largely untapped experience of the country's major users of quality management systems.

It does not make reference to any specific product or industry; 7,000 other standards do that. But it presents practical requirements of quality assurance which are fundamental in a form so concise that it could (in fact, should) be used as the yardstick against which a company's capability of undertaking a contract is assessed.

"Quality," for an organisation working to BS 5750 Quality systems, will not mean just the assiduous correction of defects and failures, but a practical discipline which integrates objectives towards this ideal throughout the industrial process, from design to marketing and servicing.

BSI has been tackling quality systems for some time by formalising terminology and recommending systematic procedures, wherever possible. Guides to the operation and evaluation of assurance systems based on the comprehensive

quality control requirements of Nato and the Ministry of Defence were published in 1972 and 1974.

Experience gained by industry in applying such recommendations has enabled them to be transformed into requirements. BS 5750 is the result, presenting the requirements in three easily assimilated documents.

Three basic levels of system are specified for the assurance of quality of products or services, or both. These are given in three parts of the standard. They cover subjects such as the organisation, review and planning of the quality system; the necessary control of various functions and products, the records and documentation required to demonstrate that controls are effective and the training that may be needed to operate the system effectively.

The new standard can be used in a number of ways. It may form the basis for evaluating a supplier's quality management system or be invoked in a contract to specify appropriate quality assurance requirements. It may also be used in other documents, such as product standards, where reference to a quality management system is appropriate.

The year now ending has been something of a quality and reliability hurdle for BSI. In recent months the work carried out under the direction of its quality, management and statistics committee has coalesced into several new standards. They herald the transformation of practice in quality and reliability from a combination of subjective values and extempore adjustments into a body of disciplined and properly integrated requirements.

This radical transformation will have to take place if the high variability in UK quality, which is now so common, is to be brought under control.

It has been suggested that quality and reliability are critical factors which are absent from most costing and economic evaluation systems and this is due, no doubt, to the fact that they demand technical rather than just financial competence. Rapid evolution of Japanese industry, for example, from an era in which it was known chiefly for the supply of inexpensive curiosities to its present leading position, is largely due to systematic quality control procedures.

Japan produces highly reliable and sophisticated technology products, is a leader in quality control and has proved that striving for quality results in savings rather than increases in overall costs—increases in market share and profits for the supplier and lower life cycle costs for the consumer.

BS 5750 Parts 1, 2 and 3, from BSI Sales Department, 101 Pentonville Road, London N1 9ND. 01-629 9000.

TRANSPORT

Trailers and trucks

TWO NEW trailers manufactured by Craven Tasker of Cumbernauld, Glasgow, are being unveiled at the Scottish Motor Show which remains open until November 17.

One of the vehicles is a 40 feet long curtain-sider semi-trailer. And the other is a low loader which has been designed for carrying large construction equipment.

The latter with a gross weight of 86 tonnes has a sloping swan neck which enables the nose of most large scrapers to clear the front bridge without any need for blocking up. This development is also available on trailers with gross weights of up to 32 tonnes.

Also making its debut at the Scottish Motor Show will be the first right hand drive model from the new "MT" range of 6-9 ton commercial vehicles developed jointly by M.A.N. and VW.

CONSTRUCTION

Walls kept warm

NEW WALL lining system which allows the construction of external walls with high standards of thermal insulation to be approached in a new way has been introduced by British Gypsum, 15 Marylebone Road, London NW1 (01-486 1281).

Gyproc is a dry system consisting of two thicknesses of 19 mm gypsum plank bonded together on site to form a 42 mm thick internal wall.

Because the laminated wall is completely independent of the external wall construction, says the company, any width of cavity can be created in which to locate insulation material.

Potential use is mainly for buildings which permit the use of single-leaf brick or block construction for the exterior walls.

Useful farm buildings

DESIGNED PRIMARILY for mushroom production is a new idea in farm buildings which could also accommodate pig production, broiler units and over-nighting of cattle and sheep announces Polybuild, Alresford, Hants.

Based on a galvanised steel framework covered with layers of specially insulated polythene and glass fibre, they are said to cost only about a third of the price of traditional farm buildings.

Main feature of the design which makes it suitable for intensive production is the roofing—this consists of a series of polythene sheets and netting between which a 4-inch glass fibre matting is inserted to give a high degree of insulation.

Special aluminium protection coating covers the outer cladding to enhance weather resistance and reflect heat in the summer months.

IN THE OFFICE

Typewriter speaks the words

AN IMPORTANT aid to the blind or visually impaired typist has been developed by IBM in which up to three pages of material can be typed, held by the machine's memory and then converted into synthesised speech for playback over headphones or loudspeaker.

What is more, the user is kept informed by means of up to 200 short synthesised speech messages of the physical status of the machine and the typed material—where the carriage is, what line (by number) is being typed and many other items the sighted person routinely perceives.

Thus, as the typist proceeds with audio typing from a dictation machine, the material is fed into the memory and afterwards can be reviewed and proofread acoustically, removing the need for the customary sighted assistance.

Material can be reviewed line by line with punctuation (the machine utters "comma" etc), word by word and even letter by letter in which case the machine speaks each character as a human would, says

"space" when one occurs, and also vocalises capital letters and the punctuation.

The machine works by storing all the necessary speech sounds (English or U.S. English) together with a large but undisclosed number of associative pronunciation rules. Each word is examined very quickly as it comes in coded form from the keyboard, the rules applied and the necessary sounds extracted from solid state digital store. They are then strung together with a degree of blending to produce a reasonably human-sounding voice which, although it is a little Dalek-like, is quite easy to understand.

Apart from the difficulties that arise in reading and correction of copy for the blind, the machine also overcomes the problem of telephone or other interruptions to work flow: when the typist returns to the machine it will tell her exactly how far she has got with the text, to the line and character.

The system, known as the IBM Audio Typing Unit, makes use of a microprocessor with

44,000 bytes of memory which includes a control program with 18k bytes of read-only store and 4k bytes of random access, the remainder being read-only and devoted to the language program.

The floorstanding audio manipulation unit can be used in conjunction with the company's Mag Card/A typewriter, the Mag Card II typewriter and the memory typewriters (in which case the normal storage dial for the location of material is replaced with a raised dot dial).

Use by sighted typists is not of course precluded. The audio unit is turned off and the equipment then functions normally. The cost of adding the synthetic speech facilities to the typewriters mentioned above will, says IBM, be 20 to 25 per cent more than the normal machine. First deliveries are expected to be in June/July of next year.

More from Office Products Division, IBM United Kingdom, 38 The Quadrant, Richmond, Surrey TW9 1BW (01-940 9545). GEOFFREY CHARLISH

SAFETY

Long life emergency lighting

SINGLE POINT emergency lighting systems from Carters of Burnley use an inverter providing a 20 to 30 kHz to feed a cold cathode tube rather than the more conventional fluorescent lamp.

Main advantage claimed is a lamp life measured in years rather than months, better and more even illumination, higher reliability and reduced maintenance.

The units can be used in maintained form for regular night or security lighting in hotels, retail and similar premises. A link converts from maintained to non-maintained use, but if this is replaced with a remote switch the units can be used temporarily in maintained form in dance halls, theatres and similar places without affecting the normal emergency functions.

In the event of mains failure the units are switched over automatically to an integral six volt 4.5 amp-hour sealed lead acid battery. Charging takes place whenever the mains are healthy, indicated by a red neon light.

Sycamore Avenue, Burnley, BB12 6QR (0282 27911).

DATA PROCESSING

Will ensure high reliability

THREE powerful central processors working together under an advanced operating system give the Tri-Novum combination from Computer Applications Research (CAR) some interesting advantages compared with an equivalent large machine.

CAR is using Nova or Eclipse computers together with the IOS operating system running on Fortran, the IRIS Basic

operating system and the MMS data-base handler. There is a wealth of applications programs.

Design is conservative, both on the electronic and thermal fronts, and the support programme provides for replacement of any defective units within 24 hours.

There is a wealth of applications software for business and management routines and the equipment, which will happily run from 15 to 25 terminals

is suitable for shared use. Basic price for a system with 10 Megabytes of memory is £10,000.

CAR suggests—apart from standard commercial routines from order processing to payroll—word processing, financial modelling, simulation and linear programming.

Further details from CAR Business Systems, 71 Hammer-smith Road, London W14. 01-602 4451.

Keeps control of the entrances

CARDKEY Systems of Reading has a new medium-range access control array.

It is the first to be produced by the company in the UK, on-site at a new 15,000 sq ft factory on the Stadium Way trading estate in Reading.

Cardkey's parent is the American VSI engineering group which owns Cardkey Systems of Chatsworth, California, USA.

The 790E access control system is a desktop unit served by card readers located at entrances, and alarm monitoring terminals. These relay information to the 790's central controller for evaluation.

The central controller grants or denies access based on card data and the specific access control parameters programmed into it. The use of invalid cards and abnormal environmental conditions, produce an alarm which is signalled audibly and via printout from the central controller. The digital display indicates all activity and allows rapid and accurate card authorisation changes to be made.

The console contains the central controller, and has a digital display, programming keys, and printer. The system has a 500 card memory, which can be increased to 2,500, capacity to handle 16 card reader

points, and 32 access levels. It can accept bulk or single-card loading, and has time zones for card users. There is also manual or automatic terminal override, listing capability, programmable lock-out, and print data selection.

One person can easily operate the central controller console. Parameters of access levels/time zones can be changed and blocks of cards or single cards can be changed without recalling cards or altering card holders.

Cardkey is at 23 Stadium Way, Reading, Berks. RG3 6EK. 0734 415211.

Speeds preparation of tapes

PYE BORDERS has won sole rights from Wire-Graphics of New York to market in the United Kingdom, a new computer system, the Pen-entry 4000, which has been specially designed to speed the preparation of tapes for automatic wiring machines.

Recently introduced to the U.S. market, it represents a totally new approach to solving problems encountered in the preparation of data for wire wrapping or termination equipment. The system automates

the entire data entry, revision and documentation control process, using computer graphics.

It uses an interactive display of circuit board pin locations and a light-pen for indicating the desired wire connections between pins. The operator simply displays the pins of sockets, headers or universal strips and, referring to the original schematic, makes the required wire connection with the pen. The Pen-entry 4000 processes this information and not only produces the paper tape for driving automatic wire wrapping equipment, but also

produces all documentation including wire lists and part lists. It thus eliminates hand-generation of "to-from" lists, key punching and verification of wire connection data; outside computer costs and delays.

The complete system consists of a minicomputer with 48,000 bytes of memory, dual floppy discs, interactive 15 in CRT display, light-pen, high-speed type punch and a 150 cps printer.

Pye Borders Electronics, Pinnacle Hill Industrial Estate, Kelson, Roxburghshire TD5 8DW, Kelson 2178.



Looked closely at your company stationery lately?

Take a look! Is it flat, dull perhaps, does it need a lift? SELWYN Thermography is the answer. Quality relief printing in any colour from the smallest type to the largest company symbol. It's fast and quick change of copy is no problem. It's virtually half the price of die stamping too.

Why not clip the coupon for free brochure and samples and include your letterhead for free quotation?

Take a close look at SELWYN THERMOGRAPHY

To: The Selwyn Press, Northern Way, Bury St. Edmunds, Suffolk IP32 6NR. Tel. 0284 62201. F.T.12.11

NAME _____
POSITION _____
COMPANY _____
ADDRESS _____
CITY _____

Alittle light relief

Poundstretchers.

Paris

£43

return

New York

£220

7 day holiday

Pick up a Poundstretcher and fly on a British Airways scheduled flight.

All the comfort and convenience you expect of the world's leading airline and a saving of pounds into the bargain!

You can take a Poundstretcher from all major UK airports. The ones shown here are from Heathrow or Gatwick. And are currently British Airways lowest scheduled fares.

Of course, with savings like these, there are a few simple conditions depending on where and when you're going.

For full details of all Poundstretcher fares, see your British Airways Shop or

Travel Agent. Or ring

British Airways reservations on

01-370 5411.

Dublin fare subject to Government approval.

British airways

We'll take more care of you.



Productivity no basis for pay

BY SAMUEL BRITTON

"PAY MUST be related to productivity. There is no objection to large pay increases so long as they are accompanied by greater efficiency and more output per man."

"These statements may sound trite and obvious. In fact they are wrong and would cause much mischief if widely followed."

Not only is there a tendency, however imperfect, for relative wages to reflect supply and demand, but it is highly desirable that they should do so.

Trade union law fails to promote harmony

EVERYONE WANTS justice for the trade unions. Some think that the unions are at present beyond the reach of the law and ought to be put in their proper place.

What is the correct explanation of this forensic polyphony? The failure of the legislature to grant rights to or impose duties on trade unions and officials?

The basis of this immunity is contained in the words "acts done in contemplation of furtherance of trade disputes," a phrase which has been described by Lord Wedderburn as "the golden formula."

Barry beats weight problem

THE FOREGOING of a party by Ron Barry for an early night with no supper was probably the decisive factor in the result of Saturday's Mackeson Gold Cup at Cheltenham.

Barry, who could ride at 10 st 6 lb until recently, has had weight problems since the close of the last season and feared he might have to put up a pound or two overnight on Men Alive until the morning of the race.

As it was, he made the 10 st 9 lb on the Gordon Richard's rider end, further, however, showed no signs of weakness, riding a typically powerful packed finish.

Man Alive, the sole grey in an 11-runner line-up, robbed of Roadhead's presence at the 11th post, was travelling smoothly, but in no way gave the former champion an easy ride.

In his speech in the case, Lord Diplock said that "if a demand on an employer by a union is absolute, terms and conditions of employment, the fact that it appears to the court to be unreasonable because of compliance with it is so difficult as to be commercially impracticable or will bankrupt the employer or drive him out of business does not prevent its conditions of employment and thus a trade dispute, if the actual demand that is resisted by the employer is as to the terms and conditions on which his workers are to be employed."

THE WEEK IN THE COURTS

BY JUSTINIAN

being a dispute connected with terms and conditions of employment, and, therefore, a trade dispute.

He also said that "neither... does it matter that the demand is made and the dispute pursued with more than one object in mind and that those objects are the predominant one is not the improvement of the terms and conditions of employment of those workers to whom the demand relates."

"Even if the predominant object were to bring down the fabric of the present economic system by raising wages to unrealistic levels, or to drive Asian seamen from the seas except when they serve in ships beneficially owned by nationals of their own countries, this would not... make it any less a dispute connected with terms and conditions of employment."

asked the BBC to change its members' contracts of employment by adding a term under which they would not be bound to take part in the transmission of sporting events to South Africa? Industrial action to support this demand would have been arguably in contemplation of furtherance of a dispute connected with terms of employment.

The form rather than the substance of or motive behind a demand or dispute determines whether any subsequent industrial action or threat of industrial action comes within the scope of the statutory immunity.

Should the legal consequences of industrial relations depend on such a distinction? The decisions may reveal a different approach. Otherwise there is a risk that the Union Jack will be unrolled as a flag of the utmost incoherence.

In the NWL case, Lord Diplock mentioned the "practical realities" of this type of litigation: "(1) that the real dispute is not between the employer and the nominal defendant but between the union and the employer; (2) that the threat... is being used as a bargaining counter in negotiations either existing or anticipated to obtain agreement to do whatever... the union requires of him; (3) that industrial action... can be promoted effectively only so long as it is possible to strike while the iron is hot; (4) that

The difficulties of this type of litigation seem endless. No one need be surprised that some people prefer to leave these matters to the good sense of the parties. If only the parties could ever be relied on to play good sense!

Commission

Not only is there a tendency, however imperfect, for relative wages to reflect supply and demand, but it is highly desirable that they should do so. For such relative wages shifts provide the cash carrot to persuade workers to move to sectors of labour shortage and away from areas where redundancies would otherwise threaten.

Dangers

Pay rises less than productivity, so far from being unjust, are the fruits of technical advance spread throughout the population.

Based on productivity, anything less than the national level has two great dangers. If workers in sectors where productivity cannot rise so much accept the result, this will move wages further from market clearing levels and intensify the present combination of labour shortages and unemployment.

RACING

BY DOMINIC WIGAN

his older rival—the pair never having been threatened by the third placed Roller Coaster.

Although the Mackeson provided yet another reminder that Ron Barry is still one of the ablest jockeys in the country, those who consider him a leader, was travelling smoothly, but in no way gave the former champion an easy ride.

ENTERTAINMENT GUIDE

OPERA & BALLET COLESHAM. CC 249 2258. ENGLAND'S GREAT OPERA. Tonight & Fri 7.30. The Turn of the Screw. Sat 8.00. The Marriage of Figaro. Thurs 7.30. 104 balcony seats avail from 7 am on day of perf.

THEATRES ABELFEL. CC 51 257 7511. A SUMPTUOUS NEW PRODUCTION OF MY FAIR LADY. Eves. at 7.30. Sat 8.00.

THE WORLD'S GREATEST MUSICAL MY FAIR LADY. Book, music and lyrics by Andrew Lloyd Webber. Lyrics by Tim Rice. Directed by Clio Barnard.

SCOTTISH 1.25 pm News and Road and Weather. 2.30 Monday Matinee. Now You See It, Now You Don't! starring Johnnie Walker. 5.15 The Sound of Music. 5.15 The Sound of Music. 5.15 The Sound of Music. 5.15 The Sound of Music.

SOUTHERN 1.20 pm Southern News. 7.20 Monday Matinee. The Bad Girl Incident. 8.00 News. 8.00 News. 8.00 News. 8.00 News. 8.00 News.

TYNE TEES 8.20 am The Good News followed by North East News Headlines. 1.30 pm North East News and Lookaround. 2.30 Monday Matinee. The Sound of Music. 5.15 The Sound of Music. 5.15 The Sound of Music. 5.15 The Sound of Music.

ULSTER 1.20 pm Lunchtime. 2.30 Monday Matinee. Campbell's Kingdom. 8.00 pm News. 8.00 pm News. 8.00 pm News. 8.00 pm News. 8.00 pm News.

WESTWARD 12.27 pm Good News and Birthdays. 1.20 Wednesday. The Sound of Music. 5.15 The Sound of Music. 5.15 The Sound of Music. 5.15 The Sound of Music.

YORKSHIRE 1.20 pm Calendar News. 7.30 Monday Matinee. The Bad Girl Incident. 8.00 News. 8.00 News. 8.00 News. 8.00 News. 8.00 News.

ORURY LANE. CC 51 257 7511. THE FAMILY BEEHIVE. Eves. at 7.30. Sat 8.00. Sun 2.30. Sun 8.00. Sun 8.00.

THEATRES ABELFEL. CC 51 257 7511. A SUMPTUOUS NEW PRODUCTION OF MY FAIR LADY. Eves. at 7.30. Sat 8.00.

THE WORLD'S GREATEST MUSICAL MY FAIR LADY. Book, music and lyrics by Andrew Lloyd Webber. Lyrics by Tim Rice. Directed by Clio Barnard.

SCOTTISH 1.25 pm News and Road and Weather. 2.30 Monday Matinee. Now You See It, Now You Don't! starring Johnnie Walker. 5.15 The Sound of Music. 5.15 The Sound of Music. 5.15 The Sound of Music.

SOUTHERN 1.20 pm Southern News. 7.20 Monday Matinee. The Bad Girl Incident. 8.00 News. 8.00 News. 8.00 News. 8.00 News. 8.00 News.

TYNE TEES 8.20 am The Good News followed by North East News Headlines. 1.30 pm North East News and Lookaround. 2.30 Monday Matinee. The Sound of Music. 5.15 The Sound of Music. 5.15 The Sound of Music. 5.15 The Sound of Music.

ULSTER 1.20 pm Lunchtime. 2.30 Monday Matinee. Campbell's Kingdom. 8.00 pm News. 8.00 pm News. 8.00 pm News. 8.00 pm News. 8.00 pm News.

WESTWARD 12.27 pm Good News and Birthdays. 1.20 Wednesday. The Sound of Music. 5.15 The Sound of Music. 5.15 The Sound of Music. 5.15 The Sound of Music.

YORKSHIRE 1.20 pm Calendar News. 7.30 Monday Matinee. The Bad Girl Incident. 8.00 News. 8.00 News. 8.00 News. 8.00 News. 8.00 News.

TV Radio BCC 1 9.00 am For Schools, Colleges. 11.25 You and Me. 11.40 For Schools, Colleges. 12.45 pm News. 1.00 Pebble Mill at One. 1.45 Five o'clock. 2.01 For Schools, Colleges. 3.15 Songs of Praise. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 Wally Gator. 4.25 Jackanory. 4.40 Battle of the Planets. 5.00 John Craven's Newsround. 5.05 Blue Peter. 5.35 Paddington. 5.40 News. 5.55 Nationwide (London, South East only). 6.20 Nationwide. 6.55 Angels. 7.20 The Rockford Files. 8.10 Panorama. Investigates Senator Teddy Kennedy's style and political record. 9.00 News.

F.T. CROSSWORD PUZZLE No. 4123

Radio Wavelengths BBC Radio London 1558kHz 2268 & 94.5vhr. Capital Radio 1568kHz, 1514m & 95.5vhr. 1151kHz, 251m & 97.5vhr.

BBC 2 10.05 am The Role of the Nurse. 10.30 Working for Safety. 11.00 Play School (As BBC-1 3.55 pm). 2.05 pm Roadshow Info. 2.15 Let's Go. 2.30 Multi-racial Britain. 3.00 Making Toys. 3.30 Design by Five. 4.00 The Your Head. 4.40 Flash Gordon's Trip to Mars. 6.00 Animation at Cambridge. 6.15 Grange Hill. 6.40 A Diary of Britain. 7.20 Mid-Evening News including sub-titles. 7.30 The Magic of Dance. 8.30 Porridge. 9.00 Butterflies. 9.30 Horizon. 10.20 Humphrey Lyttelton and his Band play Rhythm on 2. 10.50 Children Who Crossed the Sea. 11.30 Late News. 11.45 Closedown, reading.

LONDON 9.30 am Schools Programmes. 12.00 Jamie and the Magic Torch. 12.10 pm Stepping Stones. 12.30 Emmerdale Farm. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 All About Toddlers. 2.00 Heart to Heart. 2.30 Monday Matinee. The Ambushers. 4.15 Clapperboard. 4.45 Why Can't I Go Home. 5.15 Batman. 5.45 News. 6.00 Thames News. 6.35 Crossroads. 7.00 Giving Us a Clue. 7.30 Coronation Street. 8.00 Only When I Laugh. 8.30 Mighty Micro. 9.00 Minder. 10.00 News.

RADIO 1 (S) Stereophonic broadcast. 5.00 am As Radio 2. 6.00 Dave La Travi. 6.30 Simon Bates. 11.31 Paul Barry. 2.00 pm Andy Peebles. 4.31 Kid News. 7.00 Stray Anvil. 8.00 Mike Reid. 9.50 Newsbeat. 10.00 John Peel (S). 12.00-1.00 am As Radio 2. RADIO 2 5.00 am News Summary. 5.03 Tony Brandon (S). 7.32 Terry Wogan (S). 10.03 Jimmy Young (S). 12.15 pm Waggoners' Walk. 12.30 Peter Murray's Open House (S). 2.18 David Hamilton (S). 4.15 Much More Music. 5.00 News. 5.45 Sports Desk. 7.00 Music from the Movies (S). 7.30 Alan Dell with the Dance Band Days and 8.02 The Big Band Sound (S). 8.02 Humphrey Lyttelton with the Best of Jazz (S). 8.55 Sports Desk. 10.02 Town and Country Quiz. 10.30 Star Sound. 11.02 Brian Marbury with Round Me. 11.25 night, including 12.00 News. 2.02-5.00 am You and the Night and the Music with Patrick Lint (S). RADIO 3 8.55 am Weather. 7.00 News. 7.05 News. 8.05 Concert, part 2. 9.00 News. 9.05 This Week's Composer. Jean-

Radio Wavelengths BBC Radio London 1558kHz 2268 & 94.5vhr. Capital Radio 1568kHz, 1514m & 95.5vhr. 1151kHz, 251m & 97.5vhr.

ENTERTAINMENT GUIDE (continued) ORURY LANE. CC 51 257 7511. THE FAMILY BEEHIVE. Eves. at 7.30. Sat 8.00. Sun 2.30. Sun 8.00. Sun 8.00. THEATRES ABELFEL. CC 51 257 7511. A SUMPTUOUS NEW PRODUCTION OF MY FAIR LADY. Eves. at 7.30. Sat 8.00. THE WORLD'S GREATEST MUSICAL MY FAIR LADY. Book, music and lyrics by Andrew Lloyd Webber. Lyrics by Tim Rice. Directed by Clio Barnard. SCOTTISH 1.25 pm News and Road and Weather. 2.30 Monday Matinee. Now You See It, Now You Don't! starring Johnnie Walker. 5.15 The Sound of Music. 5.15 The Sound of Music. 5.15 The Sound of Music. 5.15 The Sound of Music. SOUTHERN 1.20 pm Southern News. 7.20 Monday Matinee. The Bad Girl Incident. 8.00 News. 8.00 News. 8.00 News. 8.00 News. 8.00 News. TYNE TEES 8.20 am The Good News followed by North East News Headlines. 1.30 pm North East News and Lookaround. 2.30 Monday Matinee. The Sound of Music. 5.15 The Sound of Music. 5.15 The Sound of Music. 5.15 The Sound of Music. ULSTER 1.20 pm Lunchtime. 2.30 Monday Matinee. Campbell's Kingdom. 8.00 pm News. 8.00 pm News. 8.00 pm News. 8.00 pm News. 8.00 pm News. WESTWARD 12.27 pm Good News and Birthdays. 1.20 Wednesday. The Sound of Music. 5.15 The Sound of Music. 5.15 The Sound of Music. 5.15 The Sound of Music. YORKSHIRE 1.20 pm Calendar News. 7.30 Monday Matinee. The Bad Girl Incident. 8.00 News. 8.00 News. 8.00 News. 8.00 News. 8.00 News.

The question of boom or bust for UK property

BY MICHAEL CASSELL

Paying for our housing

A Pandora's Box of economic and political problems has been handed to the committee on housing finance which Mr. Michael Heseltine established last week.

The cost It should be remembered, however, that this desirable redistribution of wealth has been achieved at least in part at the cost of industrial investment and the value of equities.

JUST SIX years after Mr. Gerald Caplan's London and County Securities collapsed, heralding the start of the secondary banking crisis and the end of the biggest post-war property boom, some money questions are being asked about the prospects now for the property industry.

Today, the backcloth against which the property sector is operating shows several similarities to the early 1970s. There is the prospect of an imminent economic recession, a phase of high interest rates and well established inflation is moving upwards.

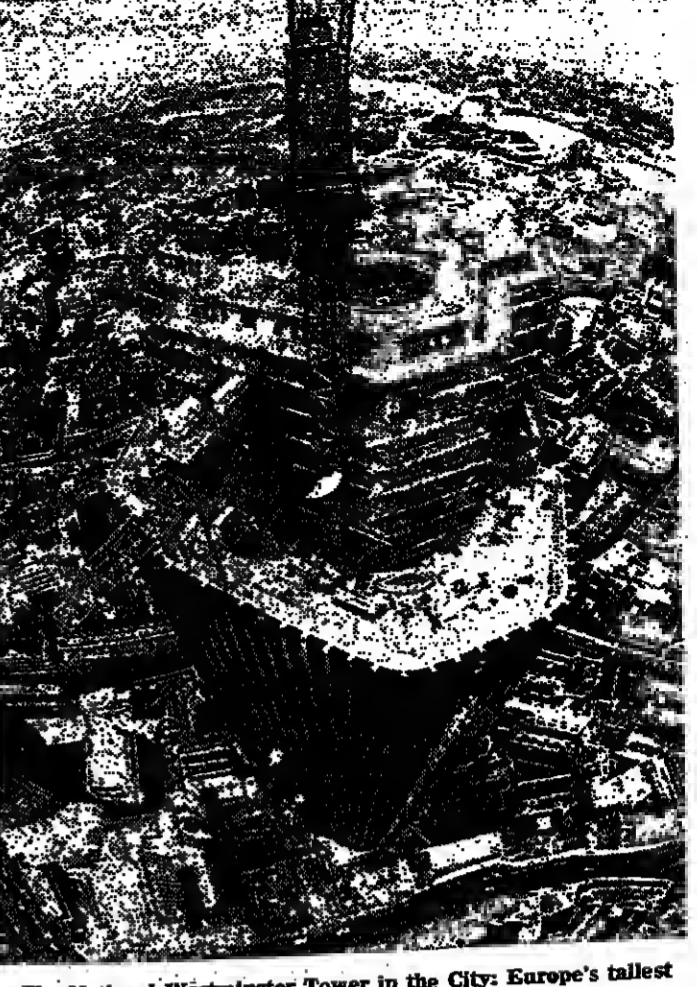
Development yields too have been pushed down to a level which can sometimes make little sense when measured against the costs of finance and construction. But in spite of some knife-edge financial calculations now being done in advance of development schemes, the general level of new construction activity has been increasing and there is evidence that a fairly significant upturn is on

put is now under way. Development should be helped, if not actually stimulated, by a succession of government announcements designed to ease the restrictions facing developers.

Among the victims were Mr. Gabriel Harrison's Amalgamated Investment and Property, and the property empires of Mr. William Stern and Mr. Ronald Lyon. Others to succumb included Mr. Harvey Sonning of Guardian Properties, along with numerous others.

Major property companies like MEPC, Capital and Counties and Town and City have still to recover fully from what were invariably self-inflicted, if unintentional wounds.

Six years after the collapse, exceptional increases in values have already been recorded with the market for prime properties having risen by anything up to 70 per cent since 1977. Average annual gains have been recorded of between 25 per cent and 35 per cent in the last two years.



The National Westminster Tower in the City: Europe's tallest office building

There has also been a period of abnormally high growth for prime rental values with the last year alone showing annual average rises in the order of 25 per cent to 30 per cent (a repeat of the 1973 situation). In London's West End, some retail rents have risen by 100 per cent during the last 12 months.

But if there are similarities between present events and those which presaged the last property collapse, the industry hopes, and largely believes, that these are more than outweighed by the differences which exist and that a repeat of the last crash is impossible.

Extravagant financing

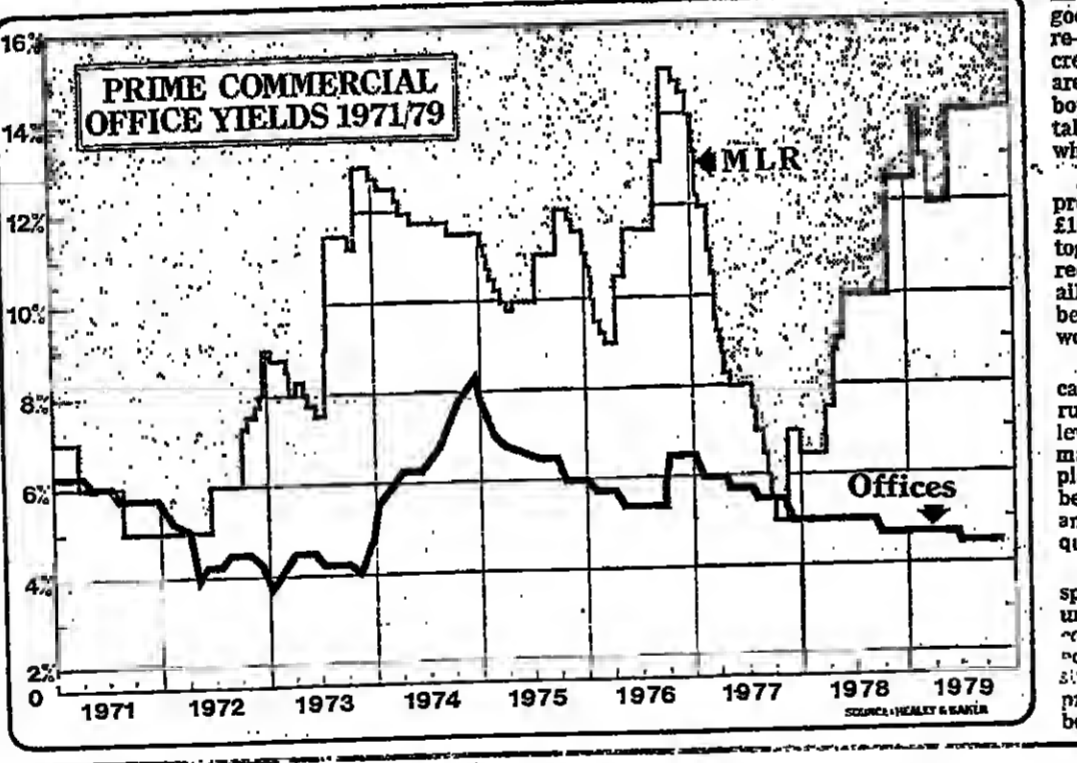
The air of unreality was compounded by a mix of wild and extravagant financing arrangements which nurtured the ambitious operators and tempted even the most traditional property companies to overstep the dividing line between the prudent and the precarious.

With developments being funded using bank loans as bridging finance, bank lending to the property sector shot up more than sixfold between 1971 and 1974 to £2.7bn and using short-term money the property men activated a massive wave of speculative development.

Investment caution

Although the largest property companies, some of which are still preoccupied with the elimination of previously accumulated debt, have been slowly shrugging off the role of passive rent collectors, and starting new schemes, caution has characterised their investment and development strategy.

They have been tempted back on to the development scene not just by healthier internal finances and the chance of a good deal but by their wish to re-establish their corporate credentials, show the City they are back in business and, they hope, to stave off unwelcome takeover bids from suitors which think they are dormant.



Kenya votes for change

KENYA USED to be a country where the relatively rosy present was increasingly overshadowed by doubt about what would happen after its founder, President Kenyatta, died. The longer he lived and the older he became the more the uncertainty grew.

The election shows that even in a one-party state it is possible to have a considerable degree of democracy. All the candidates had to stand unopposed. But the election still brought about the defeat of a third of the cabinet and over half the sitting members of parliament.

MEN AND MATTERS

Feeling glum about Norm vs the rest

Renewed speculation that tax relief is in the offing for those burdened with statey homes has set many a heart leaping as its owner listens to the drip, drip of the rain in the stairwell.

Panic pack

Although the U.S. Government is fond of observing that gold has no place in the monetary system and should be treated like any other commodity, it is realistic enough to accept that this is a minority view.

Sea-change

In case the BBC is still fishing for compliments about its external services, I am happy to announce myself a devotee of the Merchant Shipping News, a purveyor of all sorts of fascinating information.

On the scrap heap at 14?

When Tim first came to Dr. Barnardo's, he was a right little tearaway. At 14, he already had a long history of petty theft and a habit of truanting from school.

Saying 'Go'

Executives of Midland Bank dejected about their failure to buy the Chicago-based financial group Walter E. Heller may find their attention caught by an advertisement in the American financial weekly Barron's.

In harmony

On the day party officials were celebrating last week's 62nd anniversary of the Russian revolution at the socialist-realist Palace of Culture in Warsaw, a number of Western bankers and businessmen found themselves at a rival gathering 15 miles away.

Joining the queue

In Tehran it would be understandable, but Brussels is not the sort of capital where one would expect an American Embassy to feel beleaguered.

On the scrap heap at 14?

When Tim first came to Dr. Barnardo's, he was a right little tearaway. At 14, he already had a long history of petty theft and a habit of truanting from school. Not that they wanted him there—he couldn't settle down and wasn't interested in anything the teachers had to say.

Advertisement for Dr. Barnardo's, including a testimonial and contact information. The testimonial describes a child named Tim who was helped by the organization. Contact details include Dr. Barnardo's, Thomas Lane, Harlow, Essex IG9 1JQ.

FINANCIAL TIMES

Eurobond Quotations and Yields

AIBD

THE ASSOCIATION OF INTERNATIONAL BOND DEALERS

At 31st OCTOBER 1979

The Association of International Bond Dealers (AIBD) compiles current market quotations and yields for Eurobond issues. These quotations and yields are published monthly by the Financial Times. The Association's prices and yields are compiled from quotations obtained from market-makers on the last working day of each month. There is no single stock exchange for Eurobonds in the usually recognised secondary market trading business is done on the telephone between dealers scattered across the world's major financial centres. Membership of the AIBD (which was established in 1969) comprises over 450 institutions from about 27 countries.

Eurobonds in October

BY FRANCIS GHILAS

Memories of October, 1979, will not be easily erased from the minds of dealers in the Eurobond markets. Price falls of unprecedented magnitude greeted the huge surge in U.S. interest rates which followed the announcement of the Volcker measures to restrict credit and defend the dollar. Eurodollar three-month rates reached a high of 16 1/2 per cent while yields available on dollar issues trading in the secondary market rose by about 100 basis points to an average of 11 1/2 per cent. Investor reluctance to buy dollar-denominated paper, other than floating rate notes, had been in evidence for some time but during the past month virtually no new funds seem to have been committed to straight dollar bonds. For months, the bond market had been clamouring for strong measures to defeat U.S. inflation and underpin the dollar. When Paul Volcker was appointed to head the Fed last summer, the international banking community applauded. Few bankers then expected that his medicine, when it came, would be so strong. The second and third week of the month witnessed the most difficult trading conditions since 1974. Complaints were rife that a number of market makers were not answering their telephones and were not prepared to make two-way prices: for all the complaints, however, it was never impossible to buy or sell bonds and the Eurobond market emerged from this ordeal with its reputation less tarnished than the Yankee bond market.

In two trading weeks, prices of straight dollar bonds shed about 100 basis points across the board, while yields were pushed up on average by about 100 basis points to 11 1/2 per cent. First Chicago estimated at the end of October that new straight and convertible dollar issues so far this year, which total \$5bn in face value, showed a capital loss, by late October, of \$345m, \$300m of which was incurred since the end of September. Bond houses cannot take comfort from the record reflows of interest and principal on outstanding bond issues to the year end which amount to \$2.5bn, according to Iron Bank calculations. Only a fraction of this money is expected to find its way back into the bond market. The very poor state of the market led to the cancellation of two straight dollar bonds which had been announced a few days prior to the Volcker measures. New issue activity

did resume, however, before the end of October, but it was concentrated entirely in the FRN sector of the market. The FRN side suffered less than other dollar sectors. Prices tended to strengthen on issues whose coupons had just been readjusted or were about to be so. In a number of instances, the prices of recent issues did not strengthen noticeably but managers said the bonds were moving off their books and into investors' portfolios. Overall the market was hit by an unfortunate punch. On the one hand the Volcker measures have yet to prompt investors to relieve the investment banks in the dollar sector of their misery. On the other, investors in hard currency sectors quickly began discounting the implications of the package for the D-Mark and Swiss franc sectors. New foreign D-Mark issues worth DM400m were scheduled

for the three weeks to November 12 but, by the beginning of November it looked as if more than half this amount would be cancelled. Those issues which were offered towards the end of October, such as the DM 225m public issue for the EEC did not meet with a warm response despite the rise in yield offered to investors. Selling pressure pushed prices down in the foreign D-Mark sector, particularly towards the end of the month. Yields of well over 8 per cent are now available on longer dated bonds. On shorter dated paper, especially in the domestic bond sector, yields were also rising. The announcement that DM 2bn worth of Carter bonds would be offered in early November did not weaken prices. German banks had made sure that these bonds would be fully marketable securities, which was not the case last year. In the Swiss franc sector, in-

terest rates were rising faster than the yields offered on foreign bonds. Many new issues were not covered by subscriptions and, at the tail-end of the month the three big Swiss banks decided to reschedule the new issues they were planning for November. Prices in the secondary Swiss franc sector fell heavily. Yields of more than 5 per cent were obtainable on prime names where a month before yields of 7 1/2 to 100 basis points lower were enough to ensure that the bonds were well placed. Further falls are expected as the jump to what investors can obtain on similar quality and maturity paper in the other major currency sector remains considerable. Twelve-year World Bank paper yielding 5 1/2 per cent was available in D-Mark denominated paper against just over 5 per cent denominated in Swiss francs.

CONTENTS

GROUP HEADINGS	PAGE	GROUP HEADINGS	PAGE	GROUP HEADINGS	PAGE
US Dollars—Algeria	II	—Mexico	III	Euro Currency Units	VI
—Australia	II	—Netherlands	III	Euro Units of Account	VI
—Austria	II	US Dollars—New Zealand	III	French Francs	VI
—Belgium	II	—Norway	III	Hong Kong Dollars	VI
—Bolivia	II	—Panama	III	Japanese Yen	VI
—Brazil	II	—Papua	III	Kuwait Dinars	VI
US Dollars—Canada	II	—Philippines	III	Krener (Denmark)	VI
—Colombia	II	—Portugal	III	Krener (Norway)	VI
—Denmark	II	US Dollars—Singapore	III	Luxembourg Francs	VI
—Finland	II	—South Africa	III	Saudi Riyals	VI
US Dollars—France	II	—Spain	III	Sterling/DM	VI
—Ghana	II	—Sweden	III-IV	Australian Dollar/DM	VI
—Germany	II	US Dollars—Switzerland	IV	External Sterling Issues	VI
—Greece	II	—Venezuela	IV	Special Drawing Rights	VI
US Dollars—Hong Kong	II	—United Kingdom	IV	Convertibles—France	VI
—Hungary	II	—United States	IV	—Hong Kong	VI
—Iceland	II	US Dollars—Multinational	IV-V	—Japan	VI
—Iran	II	—Supranational	IV-V	—Luxembourg	VI
US Dollars—Ireland	II	US Dollars—Floating Rate	V	—Netherlands	VI
—Italy	II	Australian Dollars	V	Convertibles—Singapore	VI
—Jamaica	II	Bahraini Dinars	V	—S. Africa	VI
US Dollars—Japan	II-III	Austrian Schillings	V	—Sweden	VI
—Korea	III	Canadian Dollars	V-VI	—Switzerland	VI
—Luxembourg	III	Euro Composite Units	VI	—U.K.	VI
				Convertibles—U.S.	VI-VIII

The table of quotations and yields gives the latest rates available on 31st October, 1979. This information is from reports from official and other sources which the Association of International Bond Dealers considers to be reliable, but adequate means of checking its accuracy are not available and the Association does not guarantee that the information it contains is accurate or complete. All rates quoted are for indication purposes only and are not based on, nor are they intended to be used as a basis for, particular transactions. In quoting the rates the Association does not undertake that its members will trade in all the listed Eurobonds and the Association, its members and the Financial Times Limited do not accept any responsibility for errors in the table.

New Issue October 26, 1979

This advertisement appears as a matter of record only.

EUROPEAN ECONOMIC COMMUNITY

DM 225,000,000
7 7/8% Deutsche Mark Bonds of 1979/1994

Offering Price: 100%
Interest: 7 7/8% p.a., payable annually on November 1 on November 1 of the years 1985 through 1994 in ten equal instalments by drawing of series by lot at par
Redemption:
Listing: Frankfurt am Main, Berlin, Düsseldorf, Hamburg and München

Deutsche Bank Aktiengesellschaft Commerzbank Aktiengesellschaft	Dresdner Bank Aktiengesellschaft Westdeutsche Landesbank Girozentrale
Alafiti Bank of Kuwait (K.S.C.) Amhold and S. Bleichroeder, Inc.	Algemeine Bank Nederland N.V. Atlantic Capital Corporation
Banca del Gottardo Bank of America International Limited Bank Gutzwiller, Kurz, Bungenier (Overseas) Limited The Bank of Tokyo (Holland) N.V.	Banca Nazionale del Lavoro Bank Julius Baer International Limited Bank Len International Ltd. Banque Arabe et Internationale d'Investissement (S.A.I.) Banque Générale du Luxembourg S.A. Banque Nationale de Paris Banque Populaire Suisse S.A. Luxembourg Banque Worms
Baring Brothers & Co., Limited Bayerische Vereinsbank Berliner Handels- und Frankfurter Bank Cazenove & Co. Christiana Bank og Kreditkasse	Bayerische Hypothek- und Wechsel-Bank Aktiengesellschaft Job. Benzenberg, Gossler & Co. Bankhaus Gebrüder Bethmann Centrale Rabobank Copenhagen Handelsbank Crédit Commercial de France Crédit Suisse First Boston Limited Dan Danske Bank of 1871 Aktieselskab Delbruck & Co.
DG Bank Deutsche Genossenschaftsbank European Banking Company Limited Geffen International Limited Groupe des Banquiers Privés Genevois Georg Hank & Söhne Industriebank von Japan (Deutschland) Aktiengesellschaft Kleinwort, Benson Limited Kuhn Loeb Lehman Brothers International Landesbank Rheinland-Pfalz - Girozentrale - Lloyds Bank International Limited Marck, Finck & Co. Sammel Montagu & Co. Limited Nasbitt, Thomson Limited Norddeutsche Landesbank Girozentrale Orion Bank Limited N.M. Rothschild & Sons Limited Schröder, Münchmeyer, Herzog & Co. Smith Barney, Harris Upham & Co. Incorporated Société Générale de Banque S.A. Swiss Bank Corporation (Overseas) Limited Versino- und Westbank Aktiengesellschaft S.S. Warburg & Co. Ltd.	Amsterdam-Rotterdam Bank N.V. Banca Commerciale Italiana Banco di Roma Bank für Gemeinwirtschaft Aktiengesellschaft Bank Mees & Hope NV Banque Bruxelles Lambert S.A. Banque de l'Indochine et de Suez Banque de Neuchâtel, Schlumberger, Mallet Banque Paribas Barclays Bank International Limited Bayerische Landesbank Girozentrale Berliner Bank Aktiengesellschaft Caisse des Dépôts et Consignations Chemical Bank International Group Country Bank Limited Crédit Lyonnais Daifera Europe N.V. Richard Daas & Co., Bankers Deutsche Girozentrale - Deutsche Kommunaldank - Eurocombiere S.p.A. Robert Fleming & Co. Limited Goldman Sachs International Corp. Handelsbank N.W. (Overseas) Limited E.F. Hutton International Inc. Köder, Peabody International Limited Kreditbank S.A. Luxembourg/Giro Kuwait Investment Company (S.A.K.) Lazard Frères et Co. Midland Young Wier International Limited P. Wetzlar scrl. Sohn & Co. Morgan Stanley International Limited Norma Europe N.V. Sal. Oppenheim jr. & Co. Pirbrighten Aktiengesellschaft J. Henry Schroder Wagg & Co. Limited Scandinaviska Enskilda Banken Société Générale Alsacienne de Banque Steinbein Handlungsbank Union Bank of Switzerland (Securities) Limited M.M. Warburg-Brockmann, Wirtz & Co. Wood Gundy Limited

Creditanstalt-Market Makers in Austrian Schilling Bonds and International Bonds of Austrian Issuers.

Selected Austrian Schilling Bonds*	Middle market price (25.10.79)	Yield to average life	Current Yield	Redemption (MD: Mandatory Drawings by lot) PF: Purchase Fund SF: Sinking Fund
maturity up to 5 years				
8 % Österreich 1973/B/81	100,80	8,11	7,94	15. 2.77-81 at 101,0 MD
8 1/2% Österreich 1974/IV/82	100,75	8,06	8,44	22.10.75-82 MD
8 1/2% Österreich 1975/S/83	101,30	8,18	8,39	5. 3.76-83 at 100,0 to 101,0 MD
8 1/2% Innsbruck 1974/B/82	101,—	8,17	8,42	19.11.75-82 at 100,5 MD
8 1/2% Wien 1974/B/84	100,75	8,13	8,44	2. 7.75-84 MD
maturity over 5 years				
8 % Österreich 1976/IV/86	98,75	8,29	8,10	21.10.83-86 MD
8 % Österreich 1977/B/87	98,75	8,31	8,10	15. 3.82-87 MD
7 3/4% Österreich 1978/IV/86	97,—	8,33	7,99	1. 9.86 MD
8 % Arjberg Straßentunnel 1977/B/85	99,—	8,35	8,08	29. 7.80-85 MD
8 1/2% Energie 1975/IV/8 + S/85	103,25	8,30	8,23	29.10.79-85 at 103,5 MD
8 % Energie 1977/S/IV/86	98,75	8,32	8,10	4.10.82-86 MD
8 1/2% Steyr-Daimler-Puch 1976/B/86	103,—	8,37	8,25	9. 3.81-86 at 103,0 to 104,0 MD
8 % VÖEST-Alpine 1977/B/86	98,75	8,32	8,10	15.11.82-86 MD
8 % CA-BV 1977/III/A/92	99,50	8,10	8,04	15.10.78-92 MD
8 % OKB Export 1978/IV/86	98,75	8,24	8,10	20. 6.86 MD
7 3/4% European Investment Bank 1978/86	97,—	8,32	7,99	22.12.86 PF

Selected International Bonds of Austrian Issuers	US\$	Yield	Current Yield	Redemption
5 3/4% Alpine Montan 1965/85	92,—	7,47	6,25	15. 6.72-85 SF
6 5/8% Austrian Electricity 1966/86	97,—	7,55	6,83	1. 7.70-86 SF
6 3/4% Austrian Electricity 1967/82	96,50	9,34	6,99	1.10.71-82 SF
6 % Republic of Austria 1964/84	97,—	7,43	6,19	31. 1.71-84 SF
6 3/4% Republic of Austria 1967/82	97,50	8,59	6,92	15. 3.72-82 SF
8 3/4% Republic of Austria 1976/90	86,50	10,99	10,12	15. 8.78-90 SF
8 1/4% Tauernautobahn 1977/87	83,75	11,98	9,85	15. 3.83-87 SF
DM				
5 3/4% Österreich 1978/90	86,25	7,91	6,67	1.11.85-90 SF
6 3/4% VÖEST 1977/89	95,25	7,60	7,09	1. 6.84-89 SF
7 % Tauernkraftwerke 1968/83	99,50	7,30	7,04	1. 2.74-83 SF

For current prices and further information please contact:
For Austrian Schilling Bonds: Robert Jekl, Robert Wasinger (Telephone: 6622/1701, 1707, Telex: 74261-63)
For International Bonds: Walter Vogl (Telephone: 6622/2222, Telex: 136948)

Code for Reuter Monitor Securities Program: CA DA, CA DE



Creditanstalt
Creditanstalt-Bankverein, Schottengasse 6, A-1010 Vienna.

Table with columns: ISRIC (MILLION), COMPANY, TYPE, PRICE, DATE, and various financial metrics. Includes sub-sections for US DOLLARS-ALGERIA, US DOLLARS-ARGENTINA, and US DOLLARS-AUSTRALIA.

Table with columns: ISRIC (MILLION), COMPANY, TYPE, PRICE, DATE, and various financial metrics. Includes sub-sections for US DOLLARS-AUSTRALIA (continued), US DOLLARS-BELGIUM, and US DOLLARS-BRITAIN.

Table with columns: ISRIC (MILLION), COMPANY, TYPE, PRICE, DATE, and various financial metrics. Includes sub-sections for US DOLLARS-CANADA (continued), US DOLLARS-GERMANY, and US DOLLARS-FRANCE.

Table with columns: ISRIC (MILLION), COMPANY, TYPE, PRICE, DATE, and various financial metrics. Includes sub-sections for US DOLLARS-GERMANY (continued), US DOLLARS-ITALY, and US DOLLARS-JAPAN.

Table with columns: ISRIC (MILLION), COMPANY, TYPE, PRICE, DATE, and various financial metrics. Includes sub-sections for US DOLLARS-ITALY (continued), US DOLLARS-JAPAN (continued), and US DOLLARS-SWITZERLAND.

Table with columns: ISRIC (MILLION), COMPANY, TYPE, PRICE, DATE, and various financial metrics. Includes sub-sections for US DOLLARS-SWITZERLAND (continued), US DOLLARS-TURKEY, and US DOLLARS-UNITED STATES.

Table with columns: ISRIC (MILLION), COMPANY, TYPE, PRICE, DATE, and various financial metrics. Includes sub-sections for US DOLLARS-TURKEY (continued), US DOLLARS-UNITED STATES (continued), and US DOLLARS-INDONESIA.

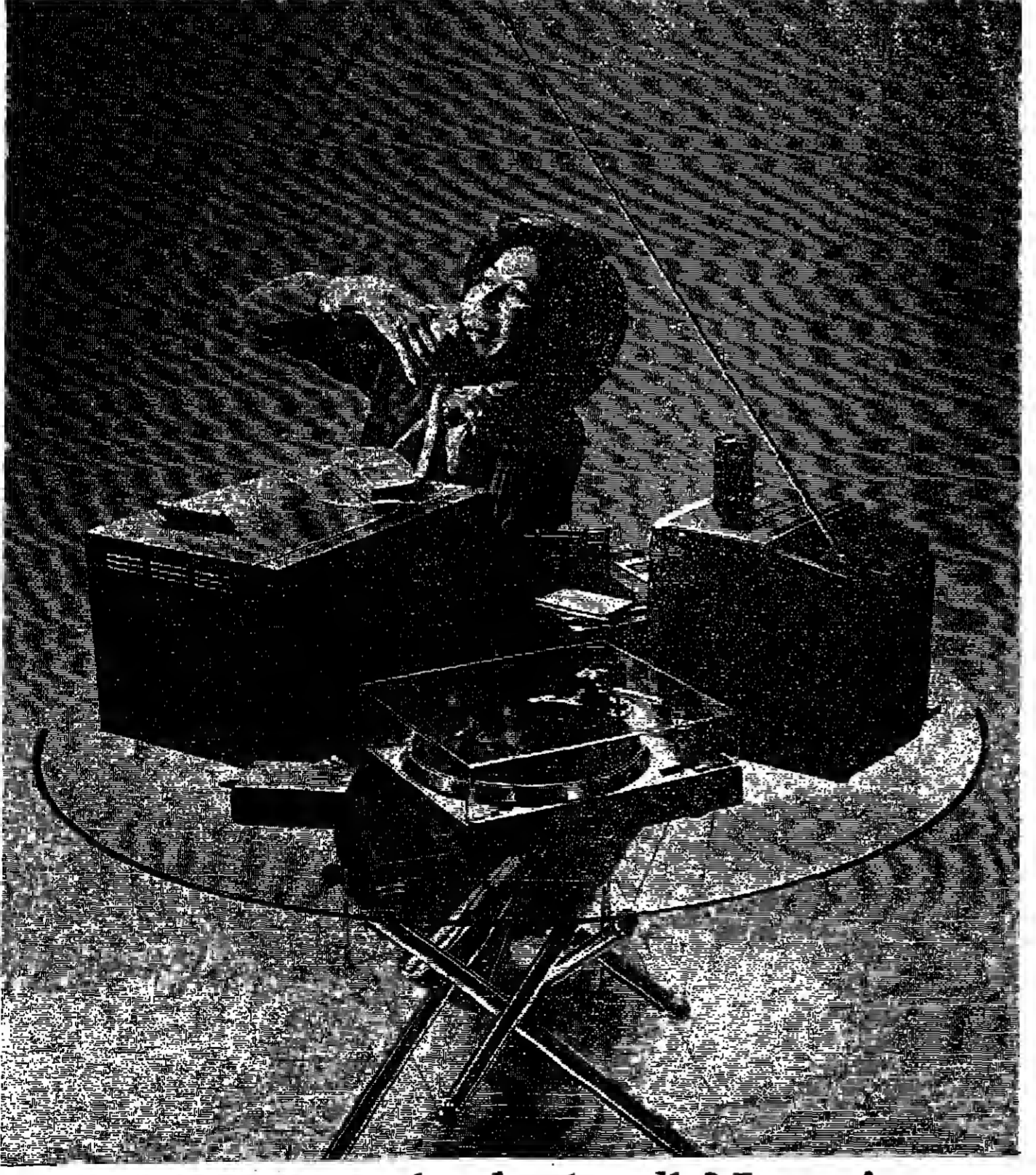
Table with columns: ISRIC (MILLION), COMPANY, TYPE, PRICE, DATE, and various financial metrics. Includes sub-sections for US DOLLARS-INDONESIA (continued), US DOLLARS-KOREA, and US DOLLARS-SINGAPORE.

Handwritten text in Arabic script: "حساب التحويل"

Vertical text on the right edge of the page, possibly bleed-through or a separate column of text.

Handwritten note: 10/11/1980

Financial Times bond market data tables for US Dollars-Japan, US Dollars-Mexico, US Dollars-Switzerland, US Dollars-Germany, US Dollars-France, US Dollars-Italy, US Dollars-Netherlands, US Dollars-Belgium, US Dollars-Luxembourg, US Dollars-Spain, US Dollars-Portugal, US Dollars-Greece, US Dollars-Turkey, US Dollars-Ireland, US Dollars-Iceland, US Dollars-Norway, US Dollars-Sweden, US Dollars-Denmark, US Dollars-Finland, US Dollars-Austria, US Dollars-Switzerland, US Dollars-Luxembourg, US Dollars-Netherlands, US Dollars-Belgium, US Dollars-Spain, US Dollars-Portugal, US Dollars-Greece, US Dollars-Turkey, US Dollars-Ireland, US Dollars-Iceland, US Dollars-Norway, US Dollars-Sweden, US Dollars-Denmark, US Dollars-Finland, US Dollars-Austria.



Finding electronics hard to handle? Leave it to us. The business of TDK is handling the difficult problems of the electronics industry. Our components have been instrumental in the revolution in consumer electronics, facilitating the introduction of new products from electronic watches to VTR's and microwave ovens. Right from the initial development stage of the microwave oven, we worked alongside the end-product manufacturers and designed the high-voltage feed-thru ceramic capacitors and high performance gaskets for preventing microwave leakage. Home appliances which help serve users every day also benefit from TDK's material development technology. New technology to meet changing market needs has been the key to our growth. Over the past five years, our net sales have grown at a compound annual rate of 21 percent, with net earnings advancing 45 percent.



Austrian Quotes: Quotations and Yields of Austrian Eurobonds. Table with columns: ISSUE, COUPON DATES, REPAYMENT, SINKING FUND (STARTING), PRICE (BID, ASKED), CURRENT YIELD, YIELD TO MATURITY. Includes sections for D-MARK BONDS, U.S. BONDS, and DOMESTIC ISSUES.

(R) Purchase for redemption purposes by issuer possible. The bonds so purchased may be used for repayment according to Plan. (...) Repayment at a premium. (G) Government Guarantee. (S) Local Government Guarantee. Yield calculations are based on the middle price.

Market Maker in Austrian Eurobonds. On international capital markets Austria ranks as Triple A. Shrewd investors prize Austrian securities as safe and attractive investments. On the Austrian capital market Girozentrale Vienna ranks with the leaders - it's the number one in Austria's largest banking group. Girozentrale Vienna

Main table containing financial data for various companies, organized into sections like 'US DOLLARS-GENERAL (CONTINUED)', 'US DOLLARS-INDUSTRIAL (CONTINUED)', and 'US DOLLARS-INTERNATIONAL (CONTINUED)'. Each entry includes company name, price, and other financial metrics.

Continuation of the financial data table from the previous section, covering more companies and their respective financial details.

Handwritten text at the bottom of the page, possibly a signature or note.

Handwritten notes and a small logo at the top right of the page.

Table of financial data for the first section, including columns for instrument type, issuer, and price. Sub-headers include 'US DOLLARS-REVENUE BOND (CONTINUED)' and 'US DOLLARS-REVENUE BOND (CONTINUED)'.

Table of financial data for the second section, including columns for instrument type, issuer, and price. Sub-headers include 'US DOLLARS-REVENUE BOND (CONTINUED)' and 'US DOLLARS-REVENUE BOND (CONTINUED)'.

Table of financial data for the third section, including columns for instrument type, issuer, and price. Sub-headers include 'CANADIAN DOLLARS (CONTINUED)' and 'CANADIAN DOLLARS (CONTINUED)'.

Table of financial data for the fourth section, including columns for instrument type, issuer, and price. Sub-headers include 'EURODOLLARS (CONTINUED)' and 'EURODOLLARS (CONTINUED)'.

Main financial data table with multiple columns for various securities, including company names, prices, and yields. Includes sub-sections like 'NEW YORK STOCK EXCHANGE' and 'NASDAQ'. A large handwritten number '11' is visible in the top right corner.

Continuation of the financial data table, listing various securities and their market values. Includes a handwritten number '11' in the top right corner.

Handwritten text in Arabic script: 'مكتبة التاجر'

1st OCTOBER 1979

WestLB Euro-Deutschmarkbond Quotations and Yields

Advertisement

Table of WestLB Euro-Deutschmarkbond Quotations and Yields, columns include Issue, Middle Price, Current Yield, Life, Yield to Maturity, and Repayment D-mandatory drawing by lot at par P-purchase fund.

Table of WestLB Euro-Deutschmarkbond Quotations and Yields, columns include Issue, Middle Price, Current Yield, Life, Yield to Maturity, and Repayment D-mandatory drawing by lot at par P-purchase fund.

Table of WestLB Euro-Deutschmarkbond Quotations and Yields, columns include Issue, Middle Price, Current Yield, Life, Yield to Maturity, and Repayment D-mandatory drawing by lot at par P-purchase fund.

WestLB SD Certificates (Schuldschein-Index)

4 years maturity: 8.25% 5 years maturity: 8.25%

Table of WestLB SD Certificates (Schuldschein-Index) with columns for Issue, Middle Price, Current Yield, Life, Yield to Maturity, and Repayment D-mandatory drawing by lot at par P-purchase fund.

WestLB

For current prices and further information call... Düsseldorf Telephone 8263122 International Bond Trading Dept. Telephone 8581882

London Westdeutsche Landesbank Telephone 6386141 Girozentrale Telephone 6386142 4000 Düsseldorf 1/FRG Telex 8581982

Westdeutsche Landesbank Girozentrale Leading Marketmakers in Eurobonds

Table of WestLB Euro-Deutschmarkbond Quotations and Yields, columns include Issue, Middle Price, Current Yield, Life, Yield to Maturity, and Repayment D-mandatory drawing by lot at par P-purchase fund.

Nutshell Survey

Selling pressure pushed yields up to 7 3/8% for 5 years—and 8 1/8% for 10 years bonds. New issue volume of DM 755 Mio was not well absorbed.

Table of Nutshell Survey with columns for Issue, Middle Price, Current Yield, Life, Yield to Maturity, and Repayment D-mandatory drawing by lot at par P-purchase fund.

WestLB Euro-Deutschmarkbond Yield Index

October 31, 1979: 8.00% (September 23, 1979: 7.37%)

Table of WestLB Euro-Deutschmarkbond Yield Index with columns for Issue, Middle Price, Current Yield, Life, Yield to Maturity, and Repayment D-mandatory drawing by lot at par P-purchase fund.

WestLB QUOTATIONS AND YIELDS

"Life" and "Maturity" appear in years and decimals of years and are in this context calculated as follows...

Table of WestLB Quotations and Yields with columns for Issue, Middle Price, Current Yield, Life, Yield to Maturity, and Repayment D-mandatory drawing by lot at par P-purchase fund.

Continued on Page VIII

Clouds over the Rising Sun

BEFORE THE Tokyo summit last June, a Tokyo newspaper conducted a straw poll in which locally based foreign correspondents were asked to award marks for the economic performance over the past year of seven selected countries. The correspondents unanimously gave Japan an "A" for its success in combining high economic growth with price stability and for going some way towards meeting the demands of fellow summit participants for an increase of its manufactured imports.

Today it is unlikely that there would be anything like the same degree of unanimity. The economy is still growing briskly (at an estimated rate of just under 6 per cent for the calendar year) and consumer prices are rising more slowly than in the West. But the recurring world oil crisis has cast a serious cloud over the country's medium-term economic prospects.

At first glance it is not difficult to see why there should be worries. Japan depends on imported oil more heavily than any other major country in the world and is thus paying very dearly indeed for this year's OPEC price increases. The 80 per cent price rise for crude oil which will probably have occurred over the 12 months up to next December translates into an additional \$10bn on Japan's import bill. This in turn means a huge red figure in the current account of the balance of payments.

Accumulation

Japan can afford a payments gap in the short run, having accumulated a huge \$33bn worth of reserves by the beginning of this year. What it may not be able to afford is the pressure on its exchange rate and the internal inflationary pressures that are being generated by higher oil prices.

"The consensus of professional forecasters in Japan (leaving aside a few chronic optimists) is that GNP will grow little if at all, during the first half of 1980 and will recover only gradually during the second half of the year . . ."

economy's reputation for being vulnerable to energy shortages and partly because Japanese interest rates are low compared with those in the U.S., the past few months have seen a speculative outflow of hot money from Japan, which has added greatly to the exchange rate impact of the OPEC price increases taken on their own. The yen, which hit an all-time high when \$1 equalled ¥175 in October last year, is now floating at around ¥240 to the U.S. dollar, a devaluation of 27 per cent. Wholesale prices, spurred by higher oil prices and by the impact of the weakness of the yen on the domestic prices of imported raw materials, have surged to the point where, at the end of October, the index was running 14 per cent ahead of its level of a year ago.

The Japanese Government was reluctant throughout most of the spring and summer to admit that a second oil crisis could do as much damage to its economy as the now legendary 1973 oil crisis (when the Government was panicked into introducing what subsequently turned out to be excessively severe credit restraints). The Bank of Japan's discount rate was raised in April by a cautious 0.75 percentage point and by another point in July. But these increases still left Japanese interest rates far short

of the levels obtainable in the U.S.

By early autumn, however, the second oil crisis, and its accompanying threat of uncontrollable wholesale price inflation, were starting to be seen in their true colours. The Bank of Japan raised the discount rate by another percentage point ten days ago in the midst of a leadership crisis within the ruling Liberal Democratic Party which meant that politicians had very little part in the decision. The Central Bank's "window guidance" on loans by commercial banks to the private sector has also been tightened drastically for the final quarter of the year. This would seem to indicate that the authorities regard oil-price generated wholesale price inflation as serious enough to call for a full-scale credit squeeze.

The reaction of the economy to this package of measures has yet to become apparent. What appears likely to happen, however, is that the strong consumer demand and vigorous private investment expenditure which distinguished the economy early this year will disappear abruptly by next January.

The consensus of professional forecasters in Japan (leaving aside a few chronic optimists) is that GNP will grow little, if

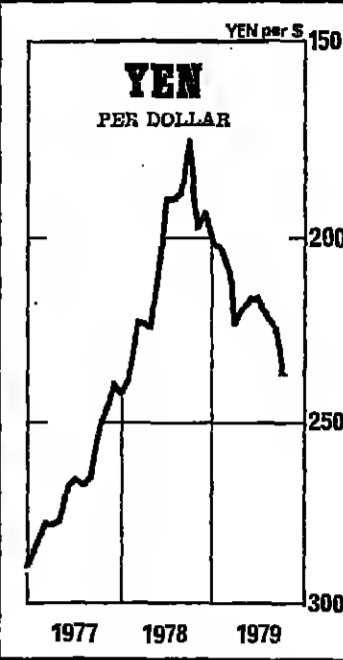
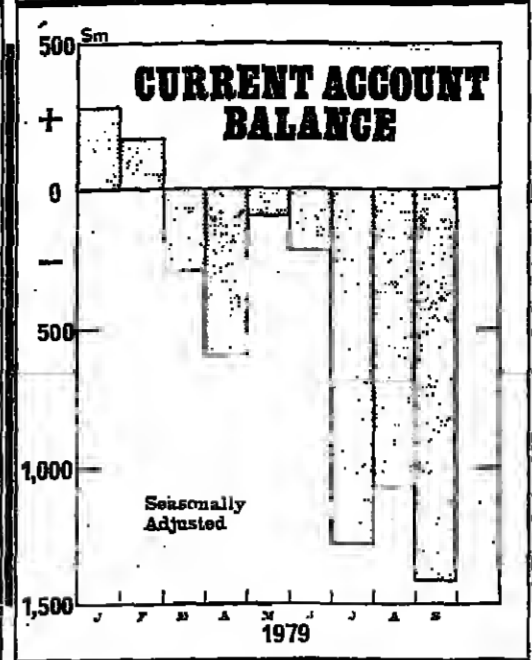
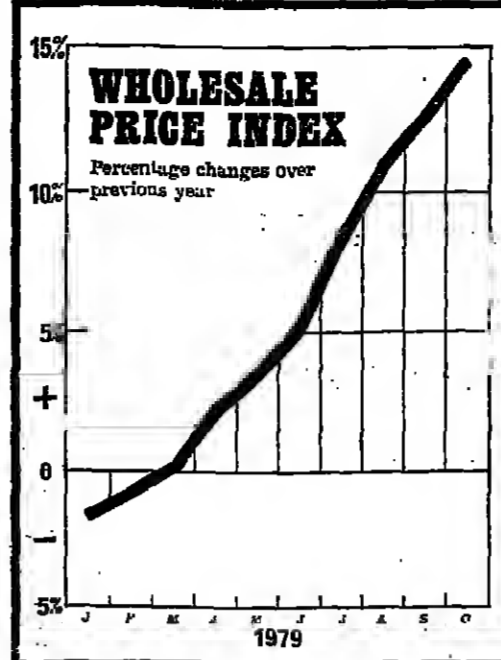
at all, during the first half of 1980 and will recover only gradually during the second half of the year (as prices, it is hoped, begin to stabilise under the impact of official tight money policies). A growth rate of 2 per cent to 3 per cent for the economy during fiscal 1980 (the 12 months ending on March 31, 1981) is a popular guess at present. The figure could be even lower if recovery in the second half of the year took longer to materialise or was weaker than the majority view assumes.

One reason for doubt about recovery prospects in the second half of next year is that government action to stimulate the economy (assuming stimulus is felt to be necessary) will be limited to the relaxation of monetary restraints. Fiscal policy, which might otherwise have played an important role, is an area where Japan has virtually no room left for manoeuvre.

Fiscal dilemma

The fiscal dilemma (which has not been made any simpler by the outcome of last month's general election in which the Liberal Democratic Party barely retained its majority) is that the Government is technically bankrupt thanks to a 40 per cent gap between budgetary revenue and tax income. The gap has been (and will continue to be) plugged by the issue of long-term bonds on a monumental scale. But there are limits to the amounts of such bonds that can be absorbed by Japan's tightly regulated capital market — and consequently limits to the extent to which public spending can be used to stimulate the economy.

If the optimists are correct in assuming that the economy will, nevertheless, pick up at some time during the second half of 1980, they are likely to be proved right for one of two



reasons. The first is that private investment remains an underlying strength which may be only temporarily overlaid by the effects of tight money policy in the first six months of next year. Private investment is strong, basically, because there was so little of it during the three years after the 1973 oil crisis that pent-up demand now exists for the replacement of old industrial facilities.

The second reason for expecting an economic recovery in the second half of next year is that Japanese exports should rebound. Japan spent much of 1978 deliberately restraining exports to other advanced nations and was "rewarded" in the first quarter of 1979 when the volume of exports actually fell by 5.6 per cent from year-ago levels.

The restraints which were in force early this year have been gradually dismantled during the past few months. Meanwhile,

the cheaper yen has made exports a profitable proposition for industries, such as textiles, which would have lost money heavily had they sold abroad while the rate was below ¥200 to the dollar. All this, in the view of the experts, should produce a very substantial recovery of Japanese exports at some time in 1980, perhaps to the extent that export volume for the year will rise as much as 10 per cent above the expected 1979 level.

If there is a good prospect that exports will pick up next year, there is an even stronger probability that imports will level off (in volume) thanks to the reduced domestic demand that will result from tight money. This should mean a widening of the trade surplus with developed western trade partners (the U.S. and western Europe) which have caused so much trouble to previous years, but about which there has been

silence during much of 1979. Another potentially serious result of changes in Japan's trading patterns next year could be a very sharp fall in imports from New Industrial Countries (NICs) such as Korea, Taiwan, Hong Kong, or the Philippines. The Asian NICs, nearly all of whom depend heavily on the Japanese market, were increasing their sales to Japan by an average of 62 per cent over the levels of the previous year (in current dollar terms) during the second quarter of 1978, but by only 32 per cent in the third quarter.

NIC problems

A zero growth rate or contraction of NIC exports to Japan in the second half of 1980 could give rise to serious economic problems in the countries concerned, perhaps feeding through into political

problems for a few of the weaker brethren.

The confidence of Japanese economic forecasters that things will start to get better in the latter half of 1980 (assuming that there is no new upsurge in oil prices) should not be misread as complacency. Japanese bureaucrats and businessmen are extremely apprehensive about the dangers the economy faces in a situation of recurring (if not continuous) energy crises. They are also at least as much aware as anyone in the West that a lack of natural resources is the most serious flaw in their economy.

What they do claim is that Japan may get through this year's oil crisis in slightly better shape than it survived its predecessor in 1973. Western observers who remember the panic that descended on Tokyo in the winter of 1973-74 and the swift recovery that followed may be tempted to agree.

Letters to the Editor

Paying for the CAP

From Messrs. R. Bacon and W. Godley
Sir—It is simply incorrect to maintain as Mr. Gardner and other correspondents do in their letters (November 7) that the present system of budgetary transfers between EEC countries cannot be fundamentally altered without reforming the common agriculture policy itself. The support of European agriculture behind a tariff barrier could continue exactly as at present with a radically different method of distributing the financial burden that this necessarily imposes, just as the structure and scale of public expenditure within a country is consistent with any number of alternative configurations of how the tax burden falls.

The point is extremely important because a significant reform of CAP, necessary as this is, is bound to take a long time if only because of the wide-spread and complex social and political implications within individual countries. Radical reform of the transfer system, using new corrective mechanisms, could be implemented without any delay at all.

Richard Bacon
Wynne Godley
Department of Applied Economics,
University of Cambridge,
Sidgwick Avenue, Cambridge.

Tax and Price Index

From Mr. J. Birkett
Sir—With reference to Sir Claus Moser's criticism (November 8) of the Tax and Price Index, surely the sensible solution would be to revise the index of retail prices by excluding all indirect taxes.
Indirect taxes are the result of deliberate government policy, for specific fiscal or ideological reasons, just as direct taxes are, and there seems no justification to include their distorting effect in an index whose purpose should be to measure objectively the real underlying increase (or decrease) in general consumer prices.
J. H. Birkett,
53, Roselands,
Hoddeston, Herts.

Pressures on British Steel

From Dr. J. M. Kay
Sir—Your leader on the subject of British Steel (November 7) defends the Government's policy of non-interference in management decisions and supports the Corporation's case that a viable steel industry in this country can only be achieved by bringing capacity into line with demand. This would be fine if the basic problem really was one of over-capacity and if the favored plants at which BSC seeks to concentrate its production were in fact technically sound and capable of efficient operation. Unfortunately the real facts are rather different.
The basic BSC problem is the

loss of its market share rather than over-capacity as such. This is particularly evident in the case of strip-mill products where imports have risen steadily in recent years and now account for between 40 per cent and 50 per cent of UK domestic demand. Closure of steelmaking at Shotton and Corby will lead to increased steel imports rather than to a significantly improved loading of other BSC plants such as Ravenscraig or Teesside. It is wishful thinking to imagine that the over-invested major plants in South Wales and on Teesside offer any special economic or technical advantages. There is no possibility, for example, that the much publicised Redcar iron-making complex even when fully loaded could ever achieve savings in operating costs per tonne to provide a financial return on the £400m investment incurred. A single large blast furnace (compared with three or four medium-size furnaces) constitutes an operating night-mare without any compensating cost-saving. It is equally wishful thinking to claim that recent performance at Port Talbot and Llanwern has greatly improved. Over what period is this comparison being made? The fact is that operating standards at these two works have fallen over the past seven years to a deplorable degree. Closure cannot now achieve the standards of quality and accuracy of gauge in its strip mill products which were regularly achieved prior to 1972.

The right solution to the problems of British Steel would be a return to competitive trading by autonomous works operating as separate companies, or at least as separate profit centres, with full responsibility for selling their products. If customers had a choice of independent UK suppliers they would buy less steel abroad. In terms of real production costs, Shotton and Corby would be well able to survive in this situation.

It is ironic that a Government pledged to the principles of competition and a free economy should give the management of BSC a free hand to destroy those remaining assets at works such as Shotton and Corby which could best form a basis for a future revival of the UK steel industry under a competitive system.
J. M. Kay,
Church Form, St. Briavels,
Nr. Lydney, Glos.

Shotton and Corby

From Mr. R. Jobling
Sir—Your leader "Pressures on British Steel" (November 7) admits that Shotton and Corby would both face "difficult social problems" if the threatened closures go ahead.
In Corby at least current and prospective problems all stem from deliberate national policy, whereby a "new town" was built solely to supply the labour needs of a single industry and employers—steel. That industry sought and was granted continuing privilege and protection of its captive labour force, via the exclusion of alternative employers who were refused Industrial Development Certificates. This went on until it was already too late for there to be any hope of rescuing Corby

from its total reliance on steel. There can be no doubt that 1980 (and the years that immediately follow) will be the worst time since the 1930s to seek new work for the 6,000 + men threatened with redundancy by BSC even taking into account the moves reported on November 8. Even so-called "generous treatment" as you put it, cannot compensate those men and their sons and daughters who must leave school jobless and receive no BSC payments at all.

BSC's own documents confess that job creation schemes cannot come near solving Corby's problems. They have (and I quote BSC) only "presentational value" in the effort to convince the workforce and unions that they should accept closure. The truth is that if closure takes place, the community faces very high persistent unemployment, and very severe social problems.

You counsel the unions not to fight closure. If they do not, and if it occurs, the legacy of bitterness will plague the industry for years to come. As it is the sense of injustice felt in Corby is intense, its plight is a poor reflection on the country's post-war efforts to plan our industry and social affairs.

R. G. Jobling
St. John's College,
Cambridge.

Mythical buses

From the Editor, Railway Gazette International
Sir—The idea advanced in your November 8 leader that rural railways can be replaced by "guaranteed" buses is a myth. The 40-odd lines identified as candidates for the next round of closures are essentially those which survived the Beeching axe because bus replacement was particularly difficult. The Cambrian coast line, for instance, crosses estuaries in places where they are not bridged by roads suitable for buses.

The Central Transport Users Consultative Committee and the National Consumer Council have both produced evidence showing why most railway replacement buses fade away through lack of use. Grafting a service artificially constrained to replace an abandoned railway on to the existing local bus network is nonsense, and operators act accordingly. Why on earth should an express bus duplicating stage carriage service from, say, Cromer to Norwich be "guaranteed" when the Dereham-Norwich bus is not? Within a matter of weeks, somebody will note that the first and last railway replacement buses of the day each carry three passengers, and the process of merging them into the local bus network, with consequent degradation of service quality, will begin.

Your leader writer is not correct in implying that dedicated rail-feeder buses have yet to be tried. Three years ago British Rail put on an express bus from Corby to Kettering station, timed to connect with trains and designed to demonstrate this very principle. Receipts covered barely a quarter of costs, and a year later the express service was "merged"

into the local 251 and 252 bus routes—with none of the fanfare attendant on the opening! There may yet be a case for closing some lines, but let us stop pretending that people are being perverse in refusing to recognise that buses in BR livery would be every bit as good as trains. The public has been here before, and fights to keep the railway because it represents a tangible link which is not easily whittled away—as so many rural bus routes have been in the past 20 years.
Richard Hope,
Dorset House,
Stamford Street, SE1

Sponsorship is serious

From the Director, Incorporated Society of British Advertisers
Sir—I really must take exception to some of the remarks in Iain Murray's article (November 8) about sponsorship. It is one thing to say, as you quote John Carson, that "the whole area is under-researched"—this is undoubtedly true. It is quite another thing for Mr. Murray to say that industry "has only the vaguest idea of what, if any, thing, it gets in return" and that sponsorship is "a weapon wielded more for fun than for any precise purpose."
Statements of this kind, with little or no evidence to back them up, do nothing to help companies who are looking seriously at sponsorship, or to help those sports and arts activities which are considering approaching sponsors. By all means let us encourage all parties to be realistic about their objectives—but don't just knock everybody indiscriminately.

I know of many companies who carry out sponsorship activities in which they, and only they, know—what their objectives are. There is absolutely no reason for them to spell them all out on the platform, particularly if a journalist is then going to make sarcastic remarks about them—but this does not mean that their objectives, costs and benefits are not clear to them.

It is recognised by most people in the marketing area that to comment (favourably or not) on someone else's advertising is fairly meaningless unless you are clear what their objectives are. How much more is this true in areas of indirect promotion, like sponsorship? Companies who have improved their overall communication with the public, the trade and informed opinion using a number of channels, including sponsorship, may not be able to measure the precise contribution of each individual activity, but they will be certainly satisfied that each element has contributed to the total "marketing mix."

My remarks are not meant to indicate that we or advertisers are complacent on this subject—on the contrary, we think that research and tight planning of all advertising and promotional activities must be right. But general statements knocking British industry and sponsorship as a whole will not really be very helpful in improving an area which certainly has scope for improvement.
Keoneth Miles,
2, Basil Street, SW3.

GENERAL

UK: Mrs. Margaret Thatcher speaks at Lord Mayor of London's banquet, Guildhall.
Mr. Leo Murray, general secretary, Mr. David Bassett, economic committee chairman, and other TUC leaders, discuss industrial and social problems with Northern Ireland Committee of the Irish Congress of Trades Unions, Belfast.
First air carrier unloads at Hunterston.
New products exhibition opens, Building Centre, Looe (until November 30).
First national conference on

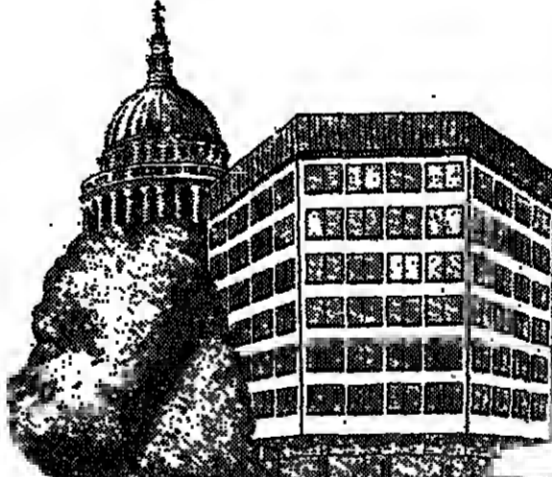
Today's Events

dyarthria (speech disorder) opens, Bristol.
The Arts of Beograd exhibition, Whitechapel Art Gallery (until November 30).
Overseas: EEC Agriculture Council starts two-day meeting in Brussels.
European Parliament assembles in Strasbourg.
Bank of International Settlements monthly meeting, Basle.
Sr. Francesco Cosiga, Italian Prime Minister, meets President Valery Giscard d'Estaing and M.

Raymond Barre, French Prime Minister, in Paris.
Mr. Kjeld Olesen, Danish Foreign Minister, meets Herr Hans Dietrich Genscher, West German Foreign Minister, in Bonn.
Pope John Paul addresses UN Food and Agriculture Organisation, Rome.
Princess Anne starts tour of Canada (until November 18).
PARLIAMENTARY BUSINESS
House of Commons: Southern Rhodesia Bill, remaining stages.

OFFICIAL STATISTICS

Index of industrial production (September — provisional).
Department of Trade publishes October provisional retail sales figures, and turnover of the catering trades for the third quarter.
COMPANY RESULTS
Interim dividends: King and Saxon, Northern Goldsmiths, Norwest Holst, Rothschild Investment Trust, Seacombe Marshall and Campion, Warner Holidays, Western Motor Holdings, Young Compailes Investment Trust.
COMPANY MEETINGS
See Financial Diary on Page 26.



Bank of Boston House, 5 Cheapside, E.C.2

If banking is a service business, then it should be on service that you judge a bank.

We've spent 57 years in the City, building an organisation to cater for the toughest judge of all: the financial professional.

That's why The Bank of Boston in London offers a surprising depth of service to international customers—including an active foreign exchange dealing department and the facilitating of investments in the U.S.

Why we have unusually good representation in 40 countries.

Why our two hundred people in London aim at the highest standards if you give the best service, you have the best bank.

And it works.

We are one of the top ten US international banks, and a major force in correspondent banking.

And six out of the top ten companies in the highest "The Times One Thousand" are our customers.

Do you put a premium on service too?

We look forward to meeting you.

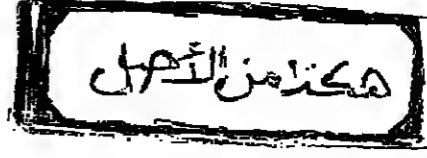
Boston. The bank for financial professionals.



THE FIRST NATIONAL BANK OF BOSTON

Bank of Boston House, 5 Cheapside, London EC2P 2DE (Tel: 01-236 2388). Also at: 31 Lombard Street, Belgravia, London SW1W 9HX (Tel: 01-235 9541).

AGENTS: AUSTRALIA: BAHAMAS: BOLIVIA: BRAZIL: CANADA: CHINA: DENMARK: DOMINICAN REPUBLIC: FRANCE: GERMANY: GUATEMALA: HONG KONG: INDIA: ITALY: JAPAN: LUXEMBOURG: MEXICO: NETHERLANDS: NEW ZEALAND: NORWAY: PANAMA: SINGAPORE: SPAIN: SWITZERLAND: U.S.A.: U.RUGANDA: U.K.: YUGOSLAVIA.



INTERNATIONAL CAPITAL MARKETS

INTERNATIONAL BONDS

BY NICHOLAS COLCHESTER AND JOHN EVANS

Rolling rates for smoother ride

Eurodollar bonds remained in a distressed state last week. The tensions over Iran, upward pressure on world oil prices and the further jump in the U.S. prime rate to 15 1/2 per cent, combined to ensure that bonds were not sold in "deep freeze," according to traders. Overall, prices lost up to 2 1/2 points over the week.

believed to be a record amount for single borrowers in this sector. Citicorp's original entry into the markets with this type of instrument earlier in the year did lead to some criticism, chiefly on the grounds that it squeezed the return available to the investor. But the issue nonetheless enjoyed a wide success. Conventional FRNs pay anywhere between 7 per cent and 7 1/2 per cent over the Eurodollar offered rate.

liabilities. The D-Mark sector of the market lurched downwards last week as the acceptable coupon DM 150m bond for Norges Kommunalbank at 8 1/2 per cent. It was only in June that this same borrower raised money

agreement that not more than DM 500m for foreign bonds should be floated this month. The Swiss franc market remained in a poor state last week with investors still unhappy at the current level of yields available. Swiss bankers say that a coupon of 5 per cent or more would now be needed to float a public foreign bond issue for a prime borrower. Yet even this would look unexciting beside a rate of consumer price inflation in the year to October of 5 per cent.

There are currently no straight bonds on offer in the Swiss primary market. The coupon of the convertible Swiss franc issue for Konishiroku Photo had to be increased from 4 1/2 per cent to 5 per cent because of the weakness of the Swiss market.

Table with columns: Borrowers, Amount, Maturity, Av. life, Coupon, Price, Load manager, Offer yield. Includes sections for U.S. DOLLARS, D-MARKS, SWISS FRANCS, LUXEMBOURG FRANCS, and UNITS OF ACCOUNT.

CURRENT INTERNATIONAL BOND ISSUES

in light of the build up of adverse opinion. In the company of the bigger strong currency sectors the Dutch guilder market was also depressed last week, though prices were off only marginally. The Government is currently raising money through a tender offer with a coupon of 9 1/2 per cent for ten years. A prime foreign borrower would now probably need to pay 9 1/2 per cent for ten years for 9 1/2 per cent for a maximum of seven years in the euro-guilder market. The Dutch bankers are finding them unhappy with this prospect.

One unusual event in a political Switzerland last week was the cancellation of a public bond issue for what looked like political reasons. A Sfr 30m public bond issue for the National Bank of Cuba marked Cuba's first public approach to the Capital markets of the West. First Banque Gutwiller, Kurz, Bungeer pulled out as lead manager, apparently because its major shareholder, Bank Leu objected. Then the Swiss arm of Singer and Friedlander, the British merchant bank, decided not to continue with the issue

U.S. BONDS BY STEWART FLEMING

Latest money supply figures calm fears

AFTER A five-week struggle to come to terms with the renewed assault on inflation launched by the Federal Reserve Board on October 6, the U.S. credit markets showed some tentative signs of regaining their balance at the end of last week. But it is still very early days.

JAPANESE BANKS

Moving to a lower lending profile

JAPANESE banks are being forced to accept a much lower profile in international lending after two years of aggressive expansion. The powerful Ministry of Finance has not completely halted bank participation in international loan syndications, but is using its influence to limit the kinds of loans being made, and to whom.

exceeded by several billion dollars the country's dwindling official foreign reserves. The result was that the MOF called in representatives of the major city banks in October for a stern lecture on the need for restraint. MOF officials since then have been putting some muscle into their warnings.

level on long term bonds moved from 8 1/2 per cent to 8 1/2 per cent. The move was triggered by the placing in London of DM 100m for the European Investment Bank at the higher coupon level.

on matching medium-term loans overseas with medium-term funding (over one year). The MOF now requires that the banks match 60 per cent of their loans with longer term funds, which the banks are doing. The 60 per cent matching ratio, however, is as present based on the "original" maturity of the funding. The MOF wants to switch this to a "remaining maturity" basis, which if used as a measure for the present situation would show that banks are actually matching medium-term only around 40 per cent of their loans in some cases.

Japanese banks in particular raised their exposure in several countries, like Brazil, to levels which would be dangerous if a serious disruption in international capital markets were to occur. The new low profile of the Japanese banks is not a welcome sign for prospective international borrowers, or banks which are lining up syndicate participants. Until about a year ago, just about any syndicate manager could count on the eager participation of a large number of Japanese banks.

BY RICHARD HANSON

Moving to a lower lending profile

on how involved Japanese banks were in the loan management. The MOF is also busily extending its moral persuasion on limiting new lending to other financial institutions such as insurance companies which have become active international lenders along with the banks.

BY STEWART FLEMING

Latest money supply figures calm fears

On Thursday, with many money market economists expecting a \$1.5bn rise in the money supply for the latest banking week, the Federal Reserve Board reported further encouraging monetary data, a \$400m fall in the M1 measure. It was less than the weekly number than the fact that the whole month of October now shows no growth in M1, and is showing 7.4 per cent annual rate of growth for 3M2, that encouraged the markets to hope for a steadier Fed policy in the next few weeks.

FT INTERNATIONAL BOND SERVICE

Large table with columns: Issued, Bid, Offer, day, week, Yield. Includes sections for U.S. DOLLAR STRAIGHTS, OTHER STRAIGHTS, EUROPEAN STRAIGHTS, FLOATING RATE NOTES, CONVERTIBLE BONDS, and SWISS FRANC STRAIGHTS.

BONDTREDE INDEX AND YIELD

Advertisement for Ameritrust. Text: 'After 85 years, we made a name for ourselves. We started corporate life as Cleveland Trust. Since then, we've become one of America's largest bank holding companies with over \$5 billion in assets and \$7 billion in trust assets. Our lead bank lends up to \$40 million to a single customer. In profitability and capital strength, our performance is about double the large bank average for 1979. In the last 16 years, our dividends paid have grown faster than all but four of the top 50 in America. Our family of banks has grown in scope as well as size, with 120 offices plus national and international capabilities in innovative lending and cash management. Now, we have a name to take us to a new horizon. Ameritrust. A major financial institution attuned to all of today's financial needs and preparing for all of tomorrow's. You'll remember the name. Just think of America. And trust.'

WORLD STOCK MARKETS

Companies and Markets

Indices

NEW YORK - DOW JONES

Table with columns for Nov 9, Nov 8, Nov 7, Nov 6, Nov 5, Nov 4, High, Low, and values for Industrial, Home Bnds, Transport, and Utilities.

Day's high 812.25 low 799.61

Ind. div. yield % 6.11 6.16 6.11 6.77

STANDARD AND POORS

Table with columns for Nov 9, Nov 8, Nov 7, Nov 6, Nov 5, Nov 4, High, Low, and values for Industrial, Composite, and Bond Yield.

NEW YORK

Large table listing various stocks with columns for High, Low, Stock, and Nov 9 values.

Rises and Falls

Table with columns for Nov 9, Nov 8, Nov 7, Nov 6, Nov 5, Nov 4, High, Low, and values for Issues Traded, Unchanged, New Highs, and New Lows.

MONTREAL

Table with columns for Nov 9, Nov 8, Nov 7, Nov 6, Nov 5, Nov 4, High, Low, and values for Industrial and Composite.

JOHANNESBURG

Table with columns for Nov 9, Nov 8, Nov 7, Nov 6, Nov 5, Nov 4, High, Low, and values for Industrial and Composite.

AMSTERDAM

Table with columns for Nov 9, Price, Div. Yld., and values for various stocks.

OSLO

Table with columns for Nov 9, Price, Div. Yld., and values for various stocks.

FRIDAY'S ACTIVE STOCKS

Table with columns for Stock, Closing, and % change.

ALL INDICES HAVE BASE VALUES

100 except NY 1000, London 100, and Toronto 100. Excluding bonds & 400 Industrials.

GERMANY

Table with columns for Nov 9, Price, Div. Yld., and values for various stocks.

STOCKHOLM

Table with columns for Nov 9, Price, Div. Yld., and values for various stocks.

PARIS

Table with columns for Nov 9, Price, Div. Yld., and values for various stocks.

COPENHAGEN

Table with columns for Nov 9, Price, Div. Yld., and values for various stocks.

JOHANNESBURG

Table with columns for Nov 9, Price, Div. Yld., and values for various stocks.

VIENNA

Table with columns for Nov 9, Price, Div. Yld., and values for various stocks.

SWITZERLAND

Table with columns for Nov 9, Price, Div. Yld., and values for various stocks.

HONG KONG

Table with columns for Nov 9, Price, Div. Yld., and values for various stocks.

TEL AVIV

Table with columns for Nov 9, Price, Div. Yld., and values for various stocks.

CANADA

Table with columns for Nov 9, Price, Div. Yld., and values for various stocks.

SPAIN

Table with columns for Nov 9, Price, Div. Yld., and values for various stocks.

BRUSSELS/LUXEMBOURG

Table with columns for Nov 9, Price, Div. Yld., and values for various stocks.

MILAN

Table with columns for Nov 9, Price, Div. Yld., and values for various stocks.

BASE LENDING RATES

Table listing various banks and their lending rates for different terms.

AUSTRALIA

Table with columns for Nov 9, Price, Div. Yld., and values for various stocks.

TOKYO

Table with columns for Nov 10, Price, Div. Yld., and values for various stocks.

BRAZIL

Table with columns for Nov 9, Price, Div. Yld., and values for various stocks.

VIENNA

Table with columns for Nov 9, Price, Div. Yld., and values for various stocks.

SWITZERLAND

Table with columns for Nov 9, Price, Div. Yld., and values for various stocks.

HONG KONG

Table with columns for Nov 9, Price, Div. Yld., and values for various stocks.

TEL AVIV

Table with columns for Nov 9, Price, Div. Yld., and values for various stocks.

CANADA

Table with columns for Nov 9, Price, Div. Yld., and values for various stocks.

SPAIN

Table with columns for Nov 9, Price, Div. Yld., and values for various stocks.

BRUSSELS/LUXEMBOURG

Table with columns for Nov 9, Price, Div. Yld., and values for various stocks.

MILAN

Table with columns for Nov 9, Price, Div. Yld., and values for various stocks.

BASE LENDING RATES

Table listing various banks and their lending rates for different terms.

Public Works Loan Board rates

Table listing various public works loan board rates.

FINANCIAL TIMES SURVEY

BRITISH AGRICULTURE NOVEMBER 30 1979

To coincide with the Royal Smithfield Show the Financial Times proposes to publish a Survey on British Agriculture. The provisional editorial synopsis is set out below.

- Editorial coverage will include: INTRODUCTION INVESTMENT IN LAND THE FUEL CRISIS CEREALS DAIRYING POULTRY PIGS BEEF AND SHEEP POTATOES AND SUGAR BEET FISH FARMING MARKETING TOWN COUNTRY FARM BUSINESS

For further information and details of advertising rates please contact: Peter d'Aguliar Financial Times, Bracken House 10 Cannon Street, London EC4P 4BY Telephone: 01-248 8000 Ext. 201 Telex: 885033 FINTIM G

FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

The content and publication dates of Surveys in the Financial Times are subject to change at the discretion of the Editor.

- CINEMAS IC 1 & 2 SHAFESBURY AVE. B35 051. Sat. perfs. ALL SEATS B&L. THE FRENCH KID (A). Wk. and Sun. 10.0, 5.00, 8.00. PROWLEY (X). Wk. and Sun. 2.00, 3.00, 8.10. ASSIC 1, 2, 3. Havant. (Phoedon) from 10.0. Peter O'Toole ZULLI DAWN (A) in 1st. Stereo. Progs. 1.10, 1.35, 5.00, 8.25. LAST 5 DAYS Bogdanovich's SAINT ACX (A). 12.30, 2.05, 8.25, 7.35. George Hamilton LOVE AT FIRST TRY (A). Progs. 1.00, 1.15, 8.25. ASSIC 1, 2, 3, 4, 5. Oxford. St. 634 310 (top). Tottenham Court Rd. Tube. ZULLI DAWN (A) in Dolby Stereo. Progs. 1.00, 1.25, 8.50, 8.25. Woody Allen's MARRIATTA (A). Progs. 1.20, 1.50, 8.50. MAD MAX (X). Progs. 2.15, 4.20, 8.35. LAST 5 DAYS QUADROPHENIA (A). 12.30, 2.45, 8.10, 8.15. J.R. R. Tolkien's THE LORD OF THE RINGS (A). Sat. perfs. 2.00, 5.00, 8.00. ASSIC. Leicester Square. 030 6015. AME FOR VULTURES (A). Timothee Chabert's THE LORD OF THE RINGS (A). Progs. 2.30, 5.10, 7.55.

Finance chief for BATS

Mr. N. W. Goddard has been appointed finance director for BRITISH AMERICAN TOBACCO COMPANY. He was formerly director with territorial responsibilities for the Far East.

ANGLIA TELEVISION has made two Board changes. Mr. Laurence Scott, one of the founder directors, has retired having reached the retirement age. He is to remain on the group Board. Mr. Philip Garner, Anglia's programme controller, has been appointed to the Board. Mr. Garner, who is 39, is a former newspaper journalist. He joined Anglia in 1982 working on feature and documentary programmes. When appointed head of features he was one of the youngest executives in television.

RCF TOOLS, distributor of hand tools, has appointed Mr. Glynn B. Bilson as managing director. He was previously marketing director, and prior to that general manager of RCF Tools (Newcastle). Mr. Kenneth Edge becomes marketing manager. He was previously special accounts manager and prior to that sales manager of RCF Tools (Birmingham).

After completing 61 years' service with HERMAN SMITH, Mr. Herman G. Smith is to vacate the chairmanship. He will continue as an executive director. Mr. Michael Herman-Smith is appointed chairman and joint managing director and Mr. Robert Herman-Smith deputy chairman and joint managing director.

Harrison and Sons state that Mr. V. J. Willey became a director of MATHERSON - SELIG, its Ipswich-based colour card and colour retailing aids company, on November 1. Mr. Willey is a Harrison Group Board director, managing director of Edeco Fisher (Southend) and chief executive of the periodical and book printing division within the Harrison Group.

Mr. Allan J. Hendersoo is promoted to senior vice-president of SANTA FE MINERALS, INC., and SANTA FE MINERALS (UK), INC., he was vice-president of both companies. Mr. Michael T. Lynch is to be manager of production, and Mr. Cedric E. Morgan is to be manager, crude oil trading, of Santa Fe Minerals (UK), London.

Mr. Brian Chorlton has been appointed a director of CENTREFILE, the computer service bureau subsidiary of the National Westminster Bank. He joined Centre-File in 1978 and last July became controller, special services.

Mr. E. J. Clennan has been appointed to the Board of PADLEY AND VENABLES of Sheffield as technical director. He was previously the company's research and development manager.

CONTRACTS AND TENDERS

TURKISH AIRLINES INC.

Announces that Jet Fuel A-1 is required for the period of January 1st (inclusive) - December 31st, 1980 (inclusive) at European and Middle East Airports, will be purchased under sealed tender by adjudication, bidders must deliver their proposal on or before 23rd November, 1979 to the below address. Bidders wishing full information on bidding and list of technical and administrative conditions should contact:

TURKISH AIRLINES INC. Fuel Management Operations Building Yesilköy Airport Istanbul, Turkey



SOCIETE NATIONALE INDUSTRIELLE ET MINIERE (SNIM) SOCIETE D'ECONOMIE MIXTE (SEM) DEVELOPPEMENT EQUITY UM 9.059.5000 HEAD OFFICE NOUAKCHOTT REGISTERED NUMBER 4579 NOUAKCHOTT ISLAMIC REPUBLIC OF MAURITANIA NOTICE OF PREQUALIFICATION D

Societe Nationale Industrielle et Miniere (SNIM) plans to let supply and works contracts for the exploitation of new iron ore deposits to be mined in Mauritania.

- In order to finance the cost of this Project—some \$400m—SNIM has requested loans from the following organizations: ABU DHABI FUND FOR ARAB ECONOMIC DEVELOPMENT ARAB FUND FOR ECONOMIC AND SOCIAL DEVELOPMENT BANQUE AFRICAINE DE DEVELOPPEMENT BANQUE EUROPEENNE D'INVESTISSEMENTS BANQUE INTERNATIONALE POUR LA RECONSTRUCTION ET LE DEVELOPPEMENT CAISSE CENTRALE DE COOPERATION ECONOMIQUE (FRANCE) KUWAIT FUND FOR ARAB ECONOMIC DEVELOPMENT OFEC SPECIAL FUND SAUDI FUND FOR DEVELOPMENT

These organizations intend to apply the proceeds of these credits—which will be available in various currencies—to eligible payments under the contract for which this notice has been issued. Payment by these organizations will be made only to SNIM's request and upon approval by the same organizations in accordance with the terms and conditions of the loan agreements, and will be subject, in all respects, to the terms and conditions of these agreements. Except as the organizations may specially otherwise agree no party other than SNIM shall derive any right from the loan agreements or have any claim to loan proceeds.

Societe de Cooperation Miniere et Industrielle (SOCOMINE), Paris, has been entrusted by SNIM with the management of this Project.

This Notice of Prequalification covers the following equipment supply:

- 300 GONDOLA ORE CARS Standard gauge, 34 m3/70 mt capacity 10 TANK CARS Standard gauge, 800 hl/70 mt capacity

built according to plan provided by SNIM. The call for tender shall bear on the following elements:

- A - Complete cars delivered F.O.B. B - Car components delivered F.O.B. B.1 - Carbody with iron works and brake rigging. B.2 - Brake rod adjuster SAB or similar B.3 - Air brake equipment. B.4 - Complete coupling, Williston type, with shock absorber. B.5 - Complete cast steel bogie, Diamond type, with roller bearings.

Following the call for tender SNIM will choose the formula that will seem to it more advantageous.

- either purchase of A complete cars, or purchase of B car components that would be assembled by itself in its own shop.

In order to select those firms which will be retained for the final call for tenders issued by SNIM/SOCOMINE for the completion of this Project, all contractors interested in the above mentioned supply and works contracts are requested to send SOCOMINE a pre-qualification application, along with relevant documents and pamphlets showing clearly:

- (i) - Registered name, equity (%), annual report (%) and balance sheet (%) (ii) - Information on the plants and manufacturing equipment, on origin of wheels, axles, cast steel parts and acceptance of the corresponding plants by national railways and A.A.R.

(iii) - Present work load and anticipated future work load expressed in percentage of rated capacity on a quarterly basis. This application will state the number and identification of the lot or lots which are sought. It should be sent in time to reach, before 17th December, 1979.

Societe de Cooperation Miniere et Industrielle (SOCOMINE) 30, rue Cambonne F-75015 PARIS

under reference: "Project Guelbs" - Avis de Prequalification "D". SNIM/SOCOMINE reserve the right to check the statements issued by the contractors regarding their ability to perform the concerned work. SNIM/SOCOMINE also reserve the right to turn down a bid from a prospective contractor, without substantiating their decision. The prequalified contractors will be notified by letter. This will specify, among other things, the non refundable amount to be paid by each contractor to receive the tender documents.

These will only be available in French. Prequalified contractors will have to pay a deposit when sending their offer.

Further Prequalification Notices for other equipment to be supplied and other works to be carried out, all within the framework of the "Project Guelbs", will appear at a later stage.

WANGORWORTH CORPORATION INSTALLATION OF HEATING AT THE DAGHALL STREET OFFICE. The Contractor wishing to be considered for the above contract should submit a proposal for the installation of heating works to dwellings on this site for a period of two years commencing on December 31, 1979. The proposal should be submitted to the Director of Administration, The Town Hall, Wandsworth, London SW18 1TH, on or before 10.00 hours on 15th November 1979. The proposal should include details of the proposed heating system and the installation of independent gas-fired boilers serving individual dwellings. The contractor will be required to complete all drawings and specifications and to be approved by the Director of Administration. The contractor must submit details of labour, together with names and addresses of two technical and two financial referees, unless the contractor has already been provided for a similar contract within the last twelve months. The contractor must also provide a bank guarantee for the full amount of the contract value. The engineering services for this scheme will be provided by the Council's Director of Development.

COMPANY NOTICES

AGENDA 1. Opening. 2. To receive and adopt the Report of the Managing Director for the year ended 31st August, 1979. 3. To receive and adopt the Annual Accounts for the year ended 31st August, 1979. 4. To declare the dividend. 5. To propose to alter the articles of association. 6. To propose to re-elect Mr. B. Brunt—who retires by rotation—any other business.

Holder of Share Warrants to Bear Interest on Deposits or to be Credited with Dividend should lodge their Share Warrants with hand stamped receipts for the amount of the interest or dividend payable to them at the Meeting. The receipts should be presented at the Meeting or to the Secretary, 5th Floor, Drapers Building, 25 Abchurch Lane, London EC4A 3DF, between the hours 9.15 a.m. and 4.00 p.m. on Thursday, 22nd November, 1979.

Beneficial owners whose Share Warrants are presented to the Bank must obtain a certificate of deposit or evidence that such Bank is holding the Share Warrants. This certificate must be lodged against receipt by the Bank in accordance with the requirements stated above. The receipt for the Share Warrants or certificate of deposit with positive evidence of a shareholder's entitlement to receive and vote at the Meeting should be presented at the Meeting or to the Secretary, 5th Floor, Drapers Building, 25 Abchurch Lane, London EC4A 3DF, between the hours 9.15 a.m. and 4.00 p.m. on Thursday, 22nd November, 1979.

Beneficial owners of Sub-share Certificates registered with the National Provincial Bank (Nominees Limited) desiring to attend or being represented at the Meeting should lodge a receipt or certificate of deposit in respect of their Sub-share Certificates to the Secretary, 5th Floor, Drapers Building, 25 Abchurch Lane, London EC4A 3DF, between the hours 9.15 a.m. and 4.00 p.m. on Thursday, 22nd November, 1979. If they desire to attend or be represented they must obtain a form of appointment from the National Provincial Bank Limited, which form must be presented at the Meeting together with the receipt exchanged for the Sub-share Certificate or certificate of deposit.

Beneficial owners of Sub-shares registered in any name other than that of National Provincial Bank (Nominees Limited) and holders of Preference Shares who wish to attend and vote at the Meeting or to appoint a proxy, must inform the Company in writing by 12th day of November, 1979, of their intentions. By Order of the Board of Managing Directors A. B. BUNKER Dated this 12th day of November 1979 P.O. Box 673, Rotterdam.

NIPPON MEAT PACKERS INC. (CORP)

Referring to the advertisement of July 20th 1979, the undersigned announces that the tendered amount of £100,000 has been accepted. As from 1st November 1979, the new CDR Nippon Meat Packers Inc. cum. div. 100 shs. will be the principal negotiable A.V. Securities of the company. The new CDRs will be available for subscription from 1st November 1979. The new CDRs will be available for subscription from 1st November 1979. The new CDRs will be available for subscription from 1st November 1979.

BRITISH-BORNEO PETROLEUM SYNDICATE LIMITED

NOTICE IS HEREBY GIVEN THAT THE TRANSFER BOOKS OF THE above Company will be closed from 1st to 7th December, 1979, both days inclusive. By Order of the Board, RUSSELL LIMBERER, Secretary. Registered Office: 2, Broad Street, Place, London W1P 2JF. 6th November, 1979.

QUEREC CENTRAL RAILWAY COMPANY

CAPITAL STOCK In preparation for the payment of the half-yearly dividend due January 15, 1980, the Transfer Books of the above Stock will be closed at 3.30 p.m. on December 17, 1979, and will be reopened on December 17, 1979. W. E. REEVE, Assistant Secretary. 50 Finsbury Square, London EC2A 1AD. November 12, 1979.

GOVERNMENT OF NORTHERN IRELAND 6% EXCHEQUER STOCK 1979/80

NOTICE OF REDEMPTION Midland Bank Limited and Northern Bank Limited are agents for the Government of Northern Ireland that the outstanding amount of Northern Ireland 6% Exchequer Stock 1979/80 will be repaid 11 p.p. on the 1st January 1980 after which date interest on the stock will cease to accrue. The final payment of the stock will be made on the 1st January 1980 to the stockholders appearing on the register as at the date of business on the 31st December 1979. Midland Bank Limited and Northern Bank Limited are agents for the Registrar of Companies, Northern Bank Limited, Stock & Registrars' Department, 100, Queen's Quay, Belfast, Northern Ireland. Belfast, Northern Ireland, 12th November, 1979.

REPUBLIC OF SOUTH AFRICA

Notice is hereby given that the transfer books of the above Stock will be closed at 3.30 p.m. on December 17, 1979, and will be reopened on December 17, 1979. W. E. REEVE, Assistant Secretary. 50 Finsbury Square, London EC2A 1AD. November 12, 1979.

BRITISH-BORNEO PETROLEUM SYNDICATE LIMITED

NOTICE IS HEREBY GIVEN THAT THE TRANSFER BOOKS OF THE above Company will be closed from 1st to 7th December, 1979, both days inclusive. By Order of the Board, RUSSELL LIMBERER, Secretary. Registered Office: 2, Broad Street, Place, London W1P 2JF. 6th November, 1979.

QUEREC CENTRAL RAILWAY COMPANY

CAPITAL STOCK In preparation for the payment of the half-yearly dividend due January 15, 1980, the Transfer Books of the above Stock will be closed at 3.30 p.m. on December 17, 1979, and will be reopened on December 17, 1979. W. E. REEVE, Assistant Secretary. 50 Finsbury Square, London EC2A 1AD. November 12, 1979.

GOVERNMENT OF NORTHERN IRELAND 6% EXCHEQUER STOCK 1979/80

NOTICE OF REDEMPTION Midland Bank Limited and Northern Bank Limited are agents for the Government of Northern Ireland that the outstanding amount of Northern Ireland 6% Exchequer Stock 1979/80 will be repaid 11 p.p. on the 1st January 1980 after which date interest on the stock will cease to accrue. The final payment of the stock will be made on the 1st January 1980 to the stockholders appearing on the register as at the date of business on the 31st December 1979. Midland Bank Limited and Northern Bank Limited are agents for the Registrar of Companies, Northern Bank Limited, Stock & Registrars' Department, 100, Queen's Quay, Belfast, Northern Ireland. Belfast, Northern Ireland, 12th November, 1979.

CANADIAN PACIFIC LIMITED

NOTICE OF MEETING TIME ASSURANCE SOCIETY 45 Queens Road, Oldham, Greater Manchester. A SPECIAL GENERAL MEETING of the above Society will be held at the Registered Office, 45 Queens Road, Oldham, Greater Manchester, on Tuesday, 27th November, 1979, at 10.00 a.m. To adopt a new (old) Number ORHW3 Low Cost Endowment Assurance (Classed) D. STOTT, Secretary.

PREVENTION OF FRAUD (INVESTMENT) ACT 1968

NOTICE IS HEREBY GIVEN THAT: 1. Roynton Ltd, of 40/41 St. Andrew's Hill, London ECA, has relinquished the Principal's licence issued pursuant to Section 3 of the Act, having transferred its business to Portfolio Management of 14 Chesham Square, London, ECI. 2. Roynton Ltd. has made application to the Department of Trade pursuant to Regulation 5 of the Prevention of Fraud (Investment) Deposit Regulation 1964 (S.R. & O. 1964 No. 541) for the release of the £300 British Assets Stock 1979/80 which is deposited in pursuance of Section 4 of the Act. 3. Any persons having a claim on the funds representing the deposit should send their names and addresses and details of their claim to the Assistant Secretary, Companies Division, Department of Trade, Secretary, Great Smith Street, London SW1, later than 28th November, 1979.

CONFERENCE HOTELS

EXECUTIVE SUITES OF MAJFAIR Visiting London on business or pleasure? Why not stay at our great executive guest house at 19 Charles Street, Mayfair or at one of our carefully furnished serviced apartments in nearby Park Street, consisting of two bedrooms, lounge, kitchen and bathroom, colour TV, etc., within walking distance of Park Lane, Piccadilly, Regent Street, and Grosvenor Square. For full details and bookings telephone us on 01-499 7741/2 or Telex 298639

ART GALLERIES

AGNEW GALLERY, 13, Old Bond St., W1, 628 5176. TURNER LOAN EXHIBITION - Picturesque Views from England and Wales, until 7 December. Adm. 80p in flat of the S.C.B.I. Mon-Fri, 9.30-5.30. Thurs. until 7. BROWNE & GARNS LTD., 18, Core St., W1, 499 5376. Original Prints, 20th Century Masters, until 10.12.1979. CHRISTOPHER WOOD, 15, Melcombe St., SW1, 774 7838. RALPH BROWN - Sculpture, Fine Watercolor Paintings, Drawings and Watercolours. Mondays 9.30-5.30. CITY AND GUILD OF LONDON ART SCHOOL, GALLERIES at FIELD-BORNE GALLERIES, 55, Queens Grove, W1, 01-629 5116. "The Rustic Image". FINE ART SOCIETY, 148, New Bond St., W1, 01-629 5116. LUMLEY CAZALEY, 24, Davies St., W1, 499 5376. Original Prints, 20th Century Masters, until 10.12.1979. MALL GALLERIES, 10, Old Bond St., W1, 01-629 5116. MAAS GALLERY, 10, Old Bond St., W1, 01-629 5116. MALL GALLERY, 10, Old Bond St., W1, 01-629 5116. MALL GALLERY, 10, Old Bond St., W1, 01-629 5116.

Industrial Relations - establishing a framework for the 1980's

LONDON - NOVEMBER 20 & 21, 1979

Government policy on Industrial Relations reform, the issue of pay and the effects of expenditure ceilings on public sector wages and salaries - these are some of the subjects to be discussed at this topical conference.

Sponsored by the Financial Times in association with the Institution of Industrial Managers, the two-day event is to be chaired by Professor Sir John Wood, Head of the Faculty of Law, University of Sheffield and Mr. James Mortimer, Chairman, A.C.A.S.

The Rt. Hon. James Prior, M.P., Secretary of State for Employment, will explain Government policy in a keynote address to the conference.

INDUSTRIAL RELATIONS-ESTABLISHING A FRAMEWORK FOR THE 1980'S

In: Financial Times Limited, Conference Organisation, 'Industrial Relations - Establishing a Framework for the 1980's' Bracken House, 10 Cannon Street, London EC4P 4BY. Tel. 01-236 4382 Telex: 27347 FTCONF G

Please send me full details of your conference, 'Industrial Relations - Establishing a Framework for the 1980's'

Name _____ Company _____ Address _____ Tel _____

A FINANCIAL TIMES CONFERENCE

UK NEWS

NEWS ANALYSIS — REVISED DAVIGNON PLAN
BY ROY HODSON

Stiffer steel competition

BRITISH STEELMAKERS are bracing for sterner competition next year because of planned relaxations in the European Economic Community's Davignon plan for the protection and revitalisation of the Community steel industry.

Private sector steelmakers, who account for nearly 200 per cent of Britain's steel output are particularly aggrieved by the modified Davignon plan put forward by the European Commission.

Their trade association, the British Independent Steel Producers' Association, has protested that nearly all the proposed changes will hit smaller steelmakers.

Mandatory minimum prices on two of their principle products — reinforcing bars and merchant bars — are to be abolished from the end of the year. That will make life harder for the independent works which convert scrap steel in electric arc furnaces.

The special steel producers in the private sector will also suffer if, as proposed, some of their products are removed from the list of those which cannot be imported into the EEC below minimum prices.

Freeing this market would further embarrass the hard-pressed producers in Sheffield.

The European Commission will put recommendations for changes to the Davignon plan to the European Council of Ministers later this month.

Viscount Euzene Davignon, the European Industrial Commissioner, and architect of the steel rescue plan in 1977, warned last week that the European steel industry faces a new crisis in 1980 with a likely fall of 8m tonnes in its business, and average operating levels of no more than 70 per cent.

Near the end of its second year, the Davignon plan is recognised as essential support for the European steel industry during a prolonged recession. The plan almost collapsed last year when the crisis was at its worst. This year, as European demand improved by about 8 per cent, the plan gained many more supporters among steelmakers.

While a lobby, notably among West German producers, would like to return to free enterprise, the majority of European producers are fervent supporters of the plan.

Much credit goes to Viscount Davignon for his energy and flair in negotiating and selling his plans many points.

Its most effective part so far

has been the limitation of the EEC's steel imports. Those agreements will continue next year with small proposed modifications such as an easing of restrictions on special steels.

The most important signatories of bilateral agreements are expected to renew them for a further year. The most significant agreements are with Japan and the Comecon nations.

The European Commission will have to take account of Greece's growing steel industry before it joins the Community at the beginning of 1981. Viscount Davignon is expected to insist on Greece falling into line with other EEC steelmakers without any lenient transition arrangements.

The least effective side of the Davignon plan is price maintenance to avoid under-cutting and heavy losses.

British steelmakers are the only ones seriously attempting to hold prices at the Davignon minimum levels. Britain being an island market helps. The

other EEC steelmakers are discounting by up to 15 per cent.

Viscount Davignon has warned steelmakers that the modest relaxations the Commission has agreed to might be cancelled abruptly if, as he fears, the European steel market worsens in 1980. Meanwhile, he is permitting a freer market in hot rolled coil in order to assist the rationalisation of production in Europe.

That is a gesture towards the second stage of the Davignon plan — restructuring the European steel industry for the 1980s.

Viscount Davignon estimates that more than 80,000 European steel jobs will be abolished in 1980. The British Steel Corporation will shed about 15,000 if all its rationalisation plans go through. But capacity in Europe for flat rolled products, particularly for hot rolled coil, is rising. That trend will have to be reversed if restructuring is to be taken seriously.

Boom in wrought iron stoves
revives company's fortunes

BY MAURICE SAMUELSON

TWO YEARS on from the brink of bankruptcy, Britain's leading maker of traditional wrought-iron coal stoves can barely keep up with demand in Britain, Europe and the U.S.

Smith and Wellstead, the Scottish company which sent a cooker to Florence Nightingale in Balacava, is making about 1,000 stoves and cookers a month and expects to treble its output next year.

Last week, it celebrated its recovery by opening a museum-cum-showroom to display its old and new products. One model it has revived was designed for the covered wagons of the American West in the mid-19th century.

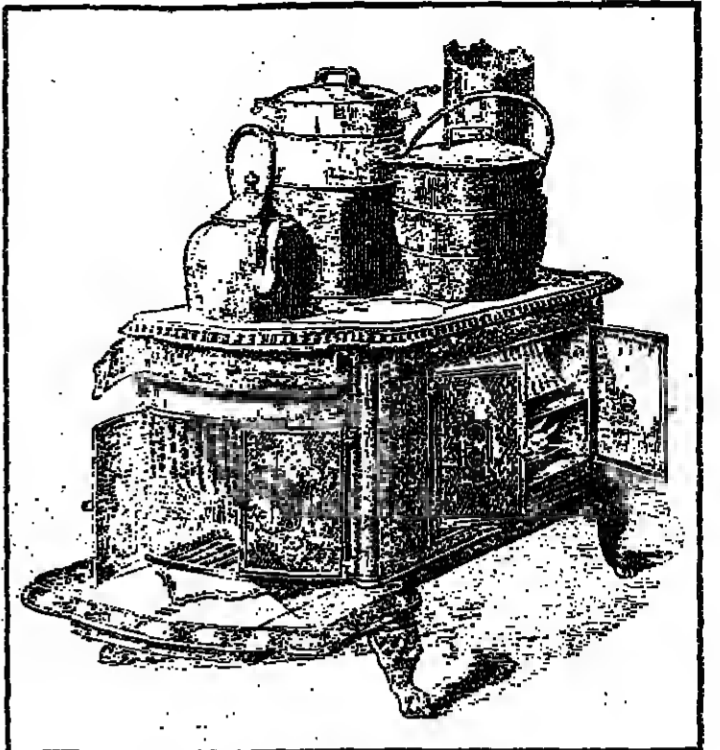
Started at Bonnybridge, Stirlingshire, in 1854, the company was rescued two years ago when it became a 100 per cent subsidiary of Newman Industries and Mr. David Gillan, a 40 year-old accountant, took over as managing director.

Then its business, which was losing £80,000 a month, was mainly contract work for the catering trade. It also made wheel chairs for the Department of Health. Gillan scrapped these lines of business. He retained the company's iron foundry and redeveloped its traditional market for Victorian-style stoves and cookers.

The business has taken off again. The workforce is back at 260 from 200 and two U.S. companies have agreed to handle sales in North America. Turnover has doubled to nearly £3m and, says Gillan, could double again in the next 12 months.

He attributes the revival of U.S. demand to the energy panic hitting the top end of the market. Wealthier people falling back on solid fuel want to make a virtue of necessity by buying appliances which are luxurious as well as efficient.

Besides drawing room stoves retailing at about £300, it is also turning out traditional cookers costing about £600. Northern Ireland, where mains gas is expected to be phased out in the 1980s, is already one of the company's best markets. It also hopes for greater sales in the Irish Republic where householders are being offered £500 grants to install solid fuel equipment.



Florence Nightingale's Plantess stove.

PACKAGE GOODS MARKETING IN FRANCE

THE BEST SOLUTION COULD BE A FOOD BROKER.

TO WHOM IT MAY CONCERN.

1. International Companies with ambitions in the french market, but with no local structure yet established.
2. Companies currently operating through importing agencies, dissatisfied with results, and who wish to know their actual customers.
3. Companies wanting to examine an alternative to their own sales force.

HOW IT WORKS.

1. National Brokerage Company (N.B.C.) works in France according to the American Legal and Operational concept known as the "Food Broker" system. Namely, it does exactly what a self-owned sales force would do.
2. N.B.C. sells and takes orders and reports them to the client Company's Headquarters.
3. N.B.C. has a force of 110 salesmen, supervised by 21 area managers.
4. N.B.C. does, or may, and in any case can, take full responsibility for, or contribute to, marketing and advertising plans for its products, according to the manufacturer's needs, problems, and existing structures.
5. N.B.C. currently operates in France with clients including Temana Shell, Johnson & Johnson, Framet Lofite.



National Brokerage Company
11 bis, rue de Presbourg, 75116 Paris.
Telephone: 500.73.01
(ask for Jacques Vandamme).
Telex: 611.406 F

Deltight may buy GKN
Pembroke plant

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

GKN is discussing with Deltight Industries the possible sale of its industrial fasteners factory at Pembroke. GKN made the announcement yesterday.

The factory, which employs 170, had been due to close at the end of the year.

The announcement came two weeks after GKN said it was talking with Armstrong Equipment about the sale of the larger factory at Darlaston, in the West Midlands, which also makes fasteners. Both factories had been due to close because GKN decided they could not be made viable.

Buyers had been sought before the statutory 90-day redundancy notices were sent out at the beginning of September, but none came forward.

Deltight is a small company, which only recently went public. It specialises in particular types of fastener, which have not had competition from cheap imports as have the standard type.

GKN's Pembroke factory makes standard flat nuts, but Deltight's plans, if it should acquire the factory, are not known.

BP allocation details out this morning

BY RAY MAUGHAN

THE BANK OF England is to announce at 9 am today the allocation basis of the 80m shares in British Petroleum offered by the Government to the public.

In spite of weakness in the share price throughout much of last week, the issue has

been over-subscribed. The application lists closed one minute after opening on Friday. Although no details of the applications have been announced, they are not thought to have been more than double the number of shares on offer.

Dealings in the new shares

are expected to start half-an-hour after the allocation details have been revealed. The Stock Exchange plans to open at 9 am and will close at 5 pm. Instead of the normal 3.30 pm.

The shares rose 8p to 364p on Friday, 1p above the offer price.

How cost-effective is your catering?

Running a staff canteen that is both excellent and cost-effective demands considerable care and attention.

As the United Kingdom's leading catering management and consultancy organisation, the caring hand of Gardner Merchant serves a staggering 200 million meals a year.

Our clients demand real value for money — and that's what we offer!

Now we'd like to offer you the opportunity to take advantage of our

unrivalled experience. A free advisory report on your company's existing catering arrangements.

We will examine the cost-effectiveness of your staff canteen, and present a report and budget estimate for your consideration.

The report is absolutely free and it could turn out to be highly profitable reading.

Complete the coupon now! No stamp is required.

FREE! Catering Advisory Report

To: GARRY HAWKES, MANAGING DIRECTOR, GARDNER MERCHANT, FREEPOST, REIGATE, RH2 7ZA

Please contact me to arrange a free Catering Advisory Report.

Please send me your free 12-page colour booklet.

Name _____

Position _____

Company _____ No. of employees _____

Address _____

Tel _____



Offices in: Avonmouth, Belfast, Birmingham, Croydon, Dublin, Gateshead, Glasgow, Hitchin, London, Manchester, Newbury (Barks), Newport (Gwent), Nottingham, Plymouth, Reigate, Sheffield, Swindon. Also in Belgium, Germany, Holland and the Middle East.

Head Office Telephone Number — Reigate (07372) 21521.

OUR NEW SAVINGS BANK FOR ENERGY AND RAW MATERIALS.

Every day more and more people are helping the British Glass Container Industry to save energy and raw materials. How?

By responding to a simple, but innovative, appeal by the industry to recycle bottles and jars.

It's called the Bottle Bank scheme. In only two years the industry has collected over 21 million used glass containers. Crushed them. Mixed them with other raw materials and re-melted them to make new glass containers. Making a considerable saving in raw materials and, more important, energy.

EVERYONE BENEFITS

The scheme directly benefits local authorities and their communities.

There is less waste to dispose of, giving a saving in costs and refuse tipping space.

And since the glassworks pay a guaranteed price for every tonne of glass returned to them, what used to cost local authorities money can now make them a profit. Which can be used to help buy kidney machines for the local hospital, or spent on other community projects.

In two years public response to "Save at the Bottle Bank" has developed into the regular habit of saving glass for thousands of people. In fact response has been so great that the glass industry, in co-operation with local authorities, is now expanding the scheme to 200 towns and cities.

Setting a target to recycle 150,000 tonnes of glass a year.

This will reduce the demand for virgin raw materials which, although plentiful in Britain, entails considerable quarrying activities.

But, more important, the use of recycled glass — or cullet as it is called — also reduces the fuel consumption of the glass-making furnaces.

So Britain saves 4,000,000 gallons of oil each year

INVESTING IN THE FUTURE

The Bottle Bank scheme is one of the ways in which the glass industry is looking to the future. Important, but only a part of a major programme of investment.

For example: continuous research into glass melting technology has reduced average fuel consumption by 18% since 1970.

Lightweight bottles such as the daily "pinta," continue to be developed, using 25% less glass, but retaining all the strength of their predecessors. Helping to reduce material and energy requirements accordingly.

NEW ECONOMIC USES FOR CULLET

There will always be some parts of Britain which are too far away from the glassworks for recycling to be economical. So the industry has sponsored research into new uses for waste glass. As a result floor tiles and surfacing and cladding materials, containing 75% crushed glass, have been developed. Providing yet another outlet for people's empties. Proving that just because glass is inexpensive, that's no reason to waste it.

RECYCLABLE OR RETURNABLE

All glass can be recycled time and time again, without any quality loss.

But this is not to forget the returnable bottle which frequently offers great economy and efficient use of resources. Over 50% of packaged beer and soft drinks are sold in refillable deposit bottles. The daily doorstep delivery of milk owes its continued existence to the returnable glass bottle.

But by recycling the non-returnables, the glass container industry is saving raw materials, money and energy.



BANK ON GLASS FOR THE FUTURE.

Glass Manufacturers Federation, 19 Portland Place, London W1N 4BH.

BUSINESSMAN'S DIARY

Table with 3 columns: Date, Title, Venue. Lists various trade fairs and exhibitions such as 'The All-Business Show', 'International Furniture Show', etc.

Table with 3 columns: Date, Title, Venue. Lists overseas trade fairs and exhibitions such as 'Banque 79 Exhibition at Banking Congress', 'International Hotel and Tourist Equipment Exhibition', etc.

BUSINESS AND MANAGEMENT CONFERENCES

Table with 3 columns: Date, Title, Venue. Lists various business and management conferences such as 'Seminars International: Product Liability-Avoiding Claims', 'Kepner Tregoe: Decision Making for Senior Management', etc.

This week's business in Parliament

TODAY

COMMONS—Completion of the remaining stages of the Southern Rhodesia Bill.

SELECTION COMMITTEE—Public Accounts. Subject: Independent Broadcasting Authority.

WEDNESDAY

COMMONS—Remaining stages of the European Communities (Greek Accession) Bill and of the Shipbuilding Bill.

LORDS

Greater London Council (General Powers) Bill, second reading. Greater London Council (Money) Bill, second reading.

THURSDAY

COMMONS—Second reading of the Protection of Trading Interests Bill and of the Papua-New Guinea, Western Samoa and Nauru (Miscellaneous Provisions) Bill.

LORDS

Insurance Companies Bill, committee stage.

FRIDAY

COMMONS—Private Members' Bills.

Exhibition opens Wednesday week

The Somerset House Art Treasures Exhibition will be opened by the Duke of Edinburgh on Wednesday, November 21, and not on November 22 as stated in Saturday's Issue.

WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial engagement during the week. The Board meetings are mainly for the purpose of considering dividends and official indications are not always available whether dividends concerned are interim or final.

Table listing various company meetings, dividend and interest payments, and board meetings for various companies.

INSURANCE

Strong support for 'utmost good faith'

BY OUR INSURANCE CORRESPONDENT

EACH WINTER the Insurance Institute of London mounts a series of lectures, debates, discussions and other meetings, covering matters of fundamental law and practice, and problems in the mainstream of insurance. Meetings are held in various parts of London, but by tradition the main meetings are held at 5.30 pm on Mondays in the Charterhouse Institute building at Aldermanbury.

Responsibility

It is incumbent on a broker to present his client's case fairly and fully in order to allow the underwriter to make a balanced assessment of the risk. The professional intermediary should be aware of every aspect of the risk that might influence an underwriter's judgment.

Modification

But utmost good faith is no longer accorded its past reverence. In Britain, law commissioners question the continued application of its full rigour, while some consumerists object to its existence.



...in financing international trade too.

Hard work is second nature to Badische Kommunale Landesbank, one of Southwest Germany's leading banks. BAKOLA has succeeded in establishing its international reputation not on size and location, but on a combination of innovative banking skills, exceptional flexibility, and a determination to earn and retain client confidence through reliable, individual service.

YOUR NEXT MOVE COULD HELP US MAKE OUR SECOND MILLION.

It may surprise you a little to learn that there's a corner of North West England which houses three of the country's most successful industrial sites. Namely, Central Lancashire. In just three short years, we've sold over a million sq. ft. of the industrial space available, attracting big names such as Edbro, Boulton & Paul, Seddon Atkinson and Debenhams.

Form with fields for Name, Position, Company, and Address. Includes a logo for Central Lancashire.

FINANCIAL TIMES SURVEY

Monday November 12 1979

مكتبة النور

Retailing

Britain's retail trade has had to cope this year with dramatic changes in trading conditions and sales volume. In the next few years, advances in store development, distribution, credit facilities and new technology are likely to accelerate the pace of change.

Looking ahead to the 1980s

By David Churchill
Consumer Affairs Correspondent

BRITAIN'S RETAILERS, at present in the midst of the crucial pre-Christmas trading period, are still reeling from the variety and speed of developments in the retail industry which have affected them so far this year.

The essence of successful retailing is supposed to be the management of change—but few retailers would want 1980 to be as volatile a year as 1979 has so far proved to be. The final year in a decade is traditionally supposed to be a watershed year and it seems highly probable that the repercussions of this year's events—such as in forcing mergers between retailers—will be felt well into the 1980s.

The year had started brightly enough for the retail trade, with a relatively good Christmas likely to be followed by the mini-boom conditions that had emerged during 1978. But within weeks the problems had started. The impact of—

severe wintry weather and the various transport disputes, especially the lorry drivers' and rail strikes, brought sharply home to the public just how vulnerable is the retail distribution system, especially for food. The weather, the transport disputes, and the public service workers' strikes also had the effect of making clear to the public the economic problems that faced the UK—with the inevitable slump in the level of consumer confidence.

Apart from the food retailers, who benefited from panic buying by shoppers, most major High Street retailers were badly mauled by the strikes and weather. The Debenhams group, which normally has a marked boost to volume sales and profits from the January bargain sales, is understood to have had sales some £5m below the expected level, which meant around a £1.25m loss to annual profits.

After this bad start to the year, the retail trade was then faced with a complete about-turn in demand. The anticipation of the usual Spring Budget led to the traditional pre-Budget buying spree, even though the Budget did not take place. The Conservatives' election victory also boosted consumer demand—as monitored by the monthly Financial Times survey of consumer confidence.

But the dramatic surge in demand came in the few weeks before the June Budget when, for the first time in several years, with a shortfall in the tourist trade which they had come to rely on to maintain sales volume through the summer months.

In addition, the independent television dispute badly affected the advertising plans by retailers

income. Nevertheless, sales in June rose by 6 per cent in volume over the previous month, while the total value of these sales were about 20 per cent higher than a year earlier.

Consumer durables such as freezers and colour televisions, proved to be most in demand even though these goods already carried a higher rate of VAT than most others and, therefore, were likely to be relatively less affected by any VAT increases.

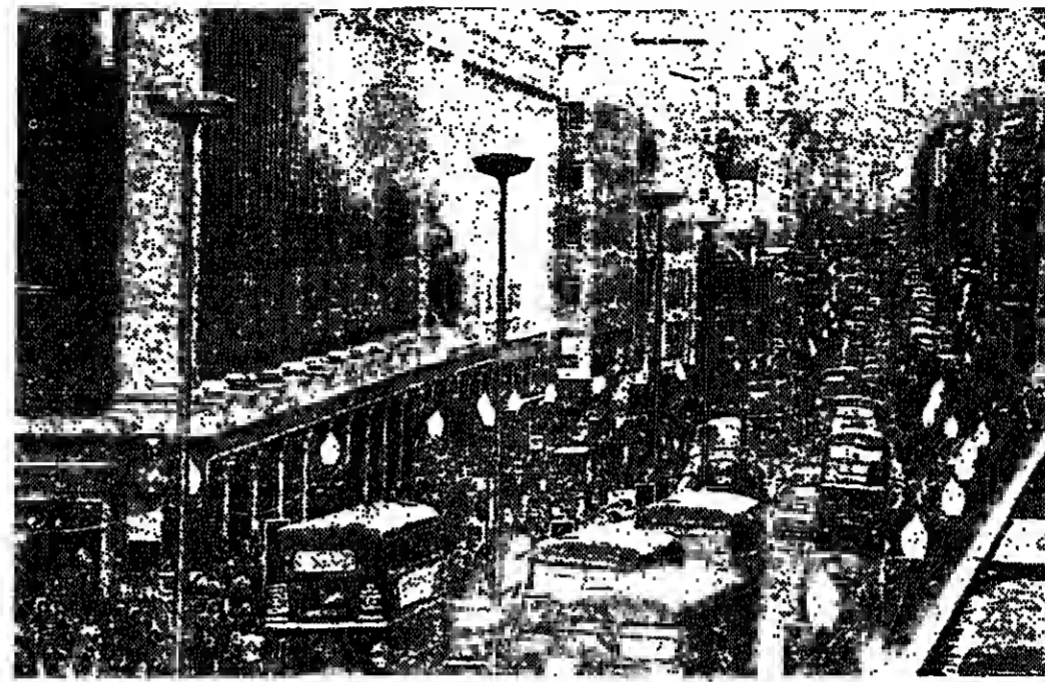
Sales

However, the dramatic surge in sales came to an abrupt end once the swingeing VAT increase—from 8 to 15 per cent—was announced in the Budget. Sales volume, according to Department of Trade figures, fell by 10 per cent in July as consumers decided they were unable, or unwilling, to pay the higher prices caused by the VAT increase.

Since then, however, there has been a partial recovery in sales volume with the provisional Department of Trade sales volume index for September standing at 111, compared with 120.3 in June and 108.7 in July.

On top of these swings in sales volume caused by political factors, the retail trade has also had to come to terms with two other factors. London retailers in particular have been faced, for the first time in several years, with a shortfall in the tourist trade which they had come to rely on to maintain sales volume through the summer months.

In addition, the independent television dispute badly affected the advertising plans by retailers



Consumers may be preparing for a pre-Christmas spree before sharply cutting back on spending in the New Year. Above: Shoppers through London's Oxford Street

to stimulate demand during the early Autumn. The impact of blank television screens is illustrated by the fact that Britain's retailers are the largest advertisers in Press and television, according to figures produced by Media Expenditure Analysis Limited. All top ten advertisers are retailers—led by the Boots group—and in fact some 14 out of the top 20 advertisers are retailers.

But the most dramatic response to the topsy-turvy trading conditions came from Marks and Spencer which took the retail

world by surprise when, in early September, it announced an £11m package of price cuts. Marks felt that pressures from rising costs on the one hand, and the prospective downturn in demand on the other, were combining together to put the retail sector under intense pressure. Consequently, Marks felt that immediate action was needed to strengthen its position in the tougher trading times ahead.

Not surprisingly, given the volatility of consumer spending patterns so far this year, there is considerable uncertainty over

the future course of demand. Although the much-vaunted October tax rebates have not so far appeared to have led to a major sales recovery, most retailers expect that they will at least give a psychological boost to sales in the final two months of the year. Consumers, it is also argued, may be preparing for a final pre-Christmas spree—largely financed by credit cards and hire purchase—before sharply cutting back on spending in the New Year.

Stockbrokers Phillips and Drew, for example, says that it

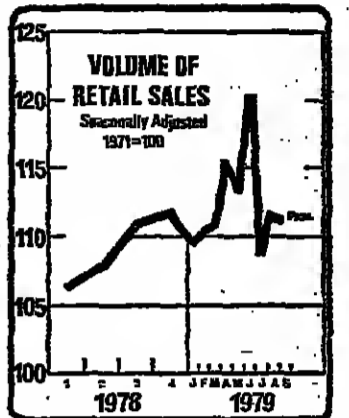
expects "the level of trade to fall sharply between the final quarter of this year and the first three months of next and, although some recovery seems likely during the course of 1980, the year as a whole could show a slight decline in volume."

The official Government view suggests that retailers next year will be faced with a gradually declining inflation rate and little or no growth in real terms in consumer spending.

Apart from the level of consumer demand, the other side in the retailing equation is the level of operating costs which dictate the level of profit margins.

The most important single cost element for retailers is labour costs, which can account for about half of a typical store group's operating costs. In spite of the widespread development of self-service, retailing is still very much a labour intensive industry. Yet the high proportion of women workers and the substantial staff turnover have meant that wages are traditionally low. But some major pay settlements in the retail sector have averaged around 15 per cent in recent months and, with rising inflation, the pressure for higher pay settlements in negotiations still outstanding is mounting.

Apart from labour costs, other major cost pressures come from higher energy costs and substantial rate rises in prospect. Higher energy prices affects not only heating and lighting in stores, but also the costs of raw materials and distribution. And, as central government support for local authorities is reduced, so the extra funding from the rates becomes more likely.



Yet while the uncertainties over rising costs and falling consumer demand are problems that retailers traditionally have to worry about, there are several other major issues that are likely to accelerate the pace of retail change in the 1980s. Four of these key issues (i.e. store developments, distribution, credit cards and electronics) are highlighted on pages two and three of this survey.

But apart from these and other trading developments, the retail trade also faces the impact of possible Government intervention. Although the Government wants to reduce the effect of consumer protection legislation on small traders, it is also determined to use the new Competition Bill to promote efficiency and end restrictive trade practices. In particular, retailers are anxiously awaiting the report of the Monopolies and Mergers Commission—due to be published sometime next year—into the whole question of the discounts retailers are able to squeeze out of manufacturers.



THE BRAND LEADERS' BRAND LEADER.

Like all fast moving packaged goods, the York Freightmaster is designed to protect its contents while conveying an image of quality and value for money. That's why the big names in groceries trunk their wares inside Freightmasters.

Our customers have found they can cut operating costs by employing the brand leading frameless van. They can load more, more easily into the vast squared-off interior. They can operate fork-lifts inside, thanks to T beams at 12" centres. They can get two metric pallets in side by side because of the ultra-slim walls.

And the combination of container-style double doors, 16 gauge aluminium walls and a one-piece, bow-tight aluminium roof keeps cargo safe from the elements. And pilferers.

— Add the options of tail lifts, side doors, Jo-Loda tracks and other special features and it can be seen how the Freightmaster adapts to any load pattern.

The unique York Hobo.

For those who have to operate part loaded, York have produced Hobo. A unique lifting axle which converts the tandem into a single when required. (We have documented evidence of the enormous savings being made).

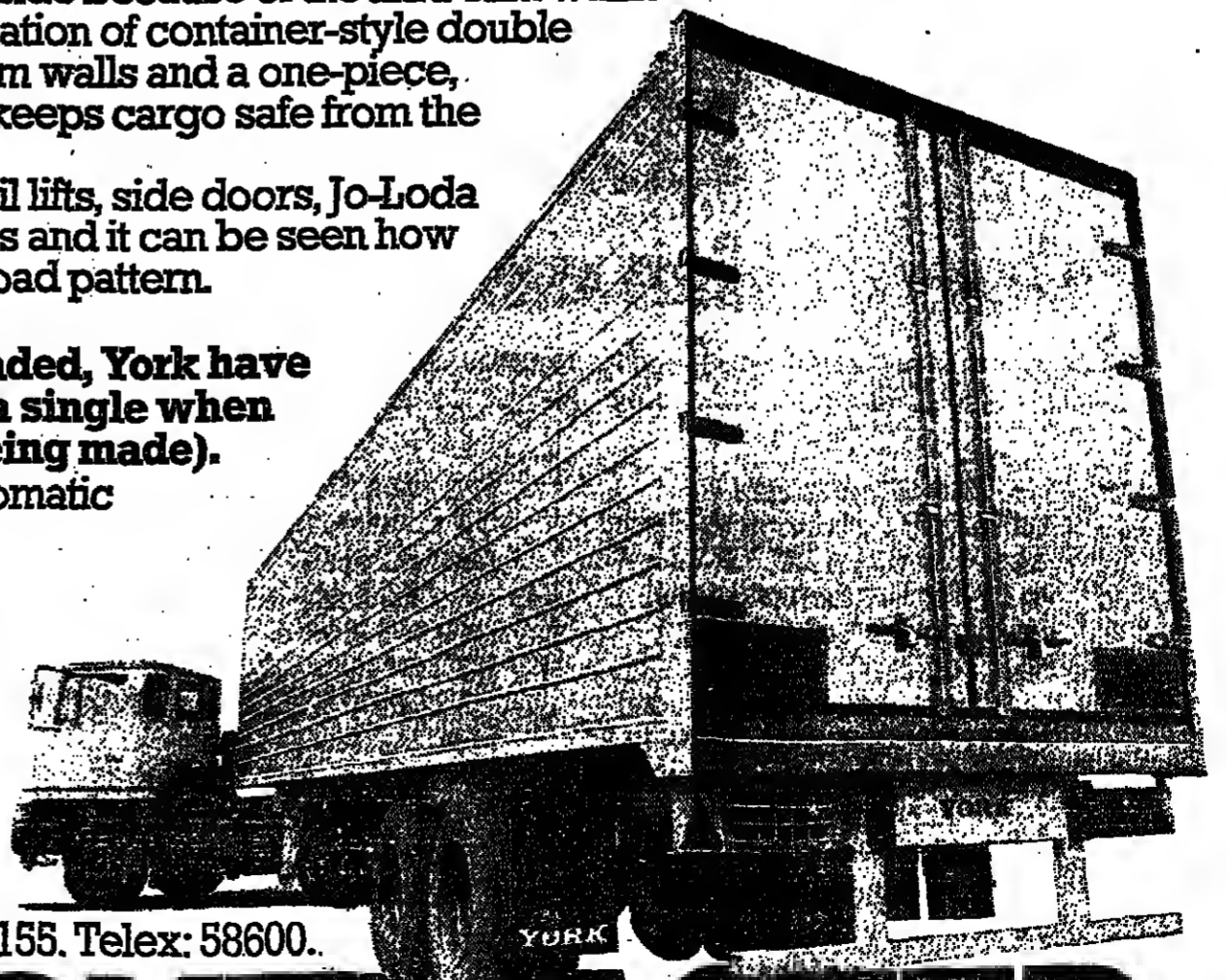
And now yet another cost-cutting York innovation. Prestoleg, the automatic landing leg that's activated from the trailer's own air lines. The beauty of Prestoleg is that it lifts a full 12" at a flick of a switch. Another flick and it's down saving time and muscle.

York offer more than a unique van. As we make everything ourselves, you deal with one principal. We don't pass the buck.

And we have 13 strategically positioned factory branches to give you truly national after-sales service.

Isn't it time you jumped on the brand wagon?

York Trailer Company Limited,
Northallerton, North Yorkshire, England. DL7 8UE. Tel: Northallerton (0609) 3155. Telex: 58600.



YORK FREIGHTMASTER.

If you've got it, a truck brought it.

RETAILING II

Growing importance of efficient distribution

CONTINUING PRESSURE on profit margins and changes in the structure of the retailing sector have focused attention on the importance of distribution.

The lorry drivers' dispute last winter served to underline the dependence of retailers on road transport while rising fuel prices have prompted an examination of distribution costs. The degree to which retailers rely on road transport can be seen within the grocery trade.

In tonnage terms, the food, drink and tobacco sector forms a growing proportion of the goods moved in the UK. In 1976 the sector accounted for 17.6 per cent of the tonnage transported and was second only to minerals. More than 99 per cent of the 306m tonnes of food was carried by road.

The growth of the major chain store retailers—largely at the expense of the smaller independent retailers—has had an impact on distribution systems.

Greater concentration has led to a change in the balance of power between the suppliers and retailers with the retailers taking more and more of the responsibility for distribution.

This in turn has led to a growing use of centralised distribution depots. Such systems facilitate the greater use of consolidation (combining products for delivery), have permitted firmer control by the retailer over the movement of goods and led to innovations in the use of computers to control stocks.

The search for economies of scale has led most multiple groups and the co-operative societies to develop centralised distribution systems and the trend is expected to continue.

In 1967, the (then) Supermarket Association estimated that 60 per cent of manufacturers' grocery deliveries were made to retailers' own depots with the remaining 40 per cent delivered direct to branches. Ten years later, estimates suggested that between 85 and 70 per cent of grocery stock passes through a centralised warehouse system, provided either by a wholesaler, retailer or professional carrier.

about 12.25 per cent, followed by better access and shop design and the use of larger vehicles (11.25 per cent saving).

In investigating the area of consolidation the committee found that 46 per cent of the value of deliveries were made to retailers' own vehicles with professional carriers and parcel operators accounting for a further 12 per cent. Manufacturers' vehicles account for 27 per cent of total deliveries but make smaller drops per delivery.

Lower capital investment in transport, economies of scale and the time lag before cost increases were passed on to customers were suggested as the advantages of consolidation. Disadvantages included the loss of direct control over delivery although the committee said this could be overcome by internal re-organisation or by paying for

the services of a specialist distribution company.

The committee said there appeared to be opportunities for many more manufacturers to use distribution companies as part of their deliveries—finding "welcomed by the professional distributors who have been fighting hard to retain their share of the market against independent operators and own account systems."

The shift away from more traditional distribution systems and the change in the structure of retailing has led the professional carriers to provide total specialist services to customers. SPD, part of the Anglo-Dutch Unilever Group, has for example, diversified from its traditional grocery base and now provides a series of specialist services and a full integrated distribution package to customers including a range

of management and sales support systems involving the use of computer-run accounting and stock control.

The wider use of centralised depots by the multiple retailers and the direct delivery systems used by the "hypermarkets" could lead the smaller retailers to take more advantage of the consolidation facilities offered by the professional carriers like SPD and Cory distribution.

Therefore, while the dominant trend appears to be towards greater concentration and consolidation, it is likely that the individual distribution requirements of retailers in the 1980s will ensure the survival of mixed distribution systems with a continuing role for the specialist professional carrier alongside own-account vehicles and other operators.

Paul Taylor

A new approach to planning control

RECENT GOVERNMENT initiatives on the inner city, areas, land use and planning controls are providing developers with a new and perhaps more stable framework for the 1980s.

One of the Government's most dramatic initiatives so far has been the decision to set up two new bodies to oversee the development of 8,000 acres of derelict dockland in London and Manchester. These two urban development corporations have wide ranging planning and development powers, similar to those of the new town authorities.

In the other inner city areas the existing partnership machinery is to continue, but, Mr. Michael Heseltine, Environment Secretary, has promised that operations will be streamlined to reduce delays.

Taylor Woodrow, the international building and civil engineering group, last month unveiled a £400m plan to build a major shopping, hotel and "free port" complex on 119 acres of land in London's Surrey Docks.

The plan which unlike a similar scheme proposed earlier this year by Trammell Crow does not call for the aid of Government funds could mark a real start to the redevelopment of London's dockland.

However, Taylor Woodrow has warned that it will not pursue the scheme unless the Government agrees to a relaxation of planning controls.

On the general question of controls, Mr. Heseltine has made it clear that he does not see the main purpose of development control "to frustrate" and has said he wants "to remove the clutter" from the present system. He has urged developers to appeal directly to him when there is long delay.

One positive step he has already taken is to remove duplication from the local government planning system. He intends to make planning

control, with limited exceptions, a district council function, removing shared control from the county councils.

Mr. Heseltine has also urged a speeding up of the preparation of structure plans and will approve local plans in advance of county structure plans if these are delayed.

It remains to be seen whether these measures will reduce planning delays and, perhaps equally important, the differences in speed with which local authorities process planning applications.

Process

Figures released last month by Mr. Tom King, Local Government Minister, show that, although about 70 per cent of planning applications are handled within the statutory eight-week period, this average figure conceals a wide range.

Mr. King, speaking at the annual conference of the National Housing and Town Planning Council, said some local authorities process 90 per cent of their planning applications within eight weeks while others only process 10 per cent in the same time.

"There can be no justification for this disparity," he said. "For the small retailers, an assurance from Mr. King that the Government recognises the importance of the small business in the economy must be welcome."

Mr. King said that the planning system had been particularly harsh to small businesses but added that "when small enterprises want to take root, perhaps in existing buildings, in areas which are primarily residential or rural, they should not be prevented from doing so unless there are very strong and specific reasons against it."

The large multiple retailers, particularly the supermarket

operators, will, however, be waiting to see what policy Mr. Heseltine will adopt towards the large out-of-town shopping developments which have become an increasingly important feature of the market, but which previous Government's have generally opposed.

The multiple retailers will also be keen to see the effects of the Government's policies aimed at increasing land availability.

Mr. Heseltine has announced that the Government intends to set up a register of surplus land open to inspection and challenge by the general public and developers.

This measure is aimed particularly at local authorities, Government departments and public bodies which have unused land suitable for development.

In addition, the Government is to repeal the Community Land Act, a move which it is claimed will result in more land becoming available for development at lower prices.

Although it is perhaps too early to assess the full impact of the new approach to development and planning control it is apparent that Mr. Heseltine and his team at the Department of the Environment, are making a strong attempt to disentangle the jungle of restrictions and delays which are at the root of many criticisms of the present system.

The Government's fresh approach has received a warm welcome from developers—despite the intention to introduce charges for planning applications and shift responsibility for enforcing building regulations from local authorities on to developers.

If the Government also succeeds in generating an improved economic climate then retailers will share in the rewards that brings.

Paul Taylor

Multiples

Against the trend towards consolidation and centralised warehousing, some multiples, such as Asda Stores and Carrefour in the grocery sector, operate outlets large enough to justify complete direct delivery and have no depots of their own.

Whatever the distribution system selected, the problems of congestion, delays and delivery restrictions persist for those retailers situated in the High Street.

This has prompted bodies such as the Lorries and the Environment Committee to undertake studies on improving distribution efficiency. A report published by the latter in March confirmed the view that increased use of consolidation and suggested savings could be as much as 50 per cent.

The committee also said that overcoming problems at the point of delivery "could save a substantial proportion of distributing costs. Top of the list of savings came the elimination of queuing which would save

the inter-urban building and civil engineering group, last month unveiled a £400m plan to build a major shopping, hotel and "free port" complex on 119 acres of land in London's Surrey Docks.

The plan which unlike a similar scheme proposed earlier this year by Trammell Crow does not call for the aid of Government funds could mark a real start to the redevelopment of London's dockland.

However, Taylor Woodrow has warned that it will not pursue the scheme unless the Government agrees to a relaxation of planning controls.

On the general question of controls, Mr. Heseltine has made it clear that he does not see the main purpose of development control "to frustrate" and has said he wants "to remove the clutter" from the present system. He has urged developers to appeal directly to him when there is long delay.

One positive step he has already taken is to remove duplication from the local government planning system. He intends to make planning

control, with limited exceptions, a district council function, removing shared control from the county councils.

Mr. Heseltine has also urged a speeding up of the preparation of structure plans and will approve local plans in advance of county structure plans if these are delayed.

It remains to be seen whether these measures will reduce planning delays and, perhaps equally important, the differences in speed with which local authorities process planning applications.

The large multiple retailers, particularly the supermarket

operators, will, however, be waiting to see what policy Mr. Heseltine will adopt towards the large out-of-town shopping developments which have become an increasingly important feature of the market, but which previous Government's have generally opposed.

The multiple retailers will also be keen to see the effects of the Government's policies aimed at increasing land availability.

Mr. Heseltine has announced that the Government intends to set up a register of surplus land open to inspection and challenge by the general public and developers.

This measure is aimed particularly at local authorities, Government departments and public bodies which have unused land suitable for development.

In addition, the Government is to repeal the Community Land Act, a move which it is claimed will result in more land becoming available for development at lower prices.

Although it is perhaps too early to assess the full impact of the new approach to development and planning control it is apparent that Mr. Heseltine and his team at the Department of the Environment, are making a strong attempt to disentangle the jungle of restrictions and delays which are at the root of many criticisms of the present system.

The Government's fresh approach has received a warm welcome from developers—despite the intention to introduce charges for planning applications and shift responsibility for enforcing building regulations from local authorities on to developers.

If the Government also succeeds in generating an improved economic climate then retailers will share in the rewards that brings.

Paul Taylor

Complex problem for unions

HARD ON the heels of Britain's engineering workers, around 130,000 staff in supermarkets have just won a reduction of one hour in their working week to 39 hours—and, furthermore, without any resort to industrial action.

The reduction, which is accompanied by a two-stage wage settlement, the first part of which comes into effect today, will be implemented from next November—one year earlier than the 39-hour week which the engineering workers achieved after 10 weeks of intermittent disruption.

The pleasure which the new deal for supermarket workers has given was noticeable in the Manchester headquarters of the Union of Shop Distributive and Allied Workers, a numerically large—480,000-members—but historically, somewhat weak body, labouring in one of the most difficult areas for union recruitment.

The main body representing shopworkers of all kinds, USDAW, has had to contend with the difficulties posed by the very diffuse nature of retailing. The estimated 2m workers in UK retailing are spread throughout literally scores of thousands of establishments, some employing only two or three people. Much of the labour force is female and part-time and turnover of staff is often very high. The cost of servicing as well as recruiting such a membership is much higher than in the case with factory workers who are likely to be found in much larger units.

With around one-third of its members coming from manufacturing activities—mostly food production—USDAW's retail membership at around 270,000 is thus well short of the potential. Even within its retailing membership, around half are accounted for by the co-operative societies with which USDAW has had long links and which have granted it one of its few closed shops.

Sign

The new agreement for supermarket workers is a sign, however, that circumstances may now be changing. One of the most important developments in post-war retailing has been the concentrating of activity in the hands of fewer of the larger organisations which now dominate the high streets up and down the country.

The trend has been particularly strong in food retailing, where a handful of larger store groups—Tesco, Sainsbury, Fine Fare, International and Safeway—dominate grocery sales. Significantly, it is supermarkets where USDAW has been growing most rapidly, and partly in response to the growing unionisation of their members, most of the big groups (though not Sainsbury's) now negotiate with USDAW through their own trade association, the Multiple Food Retailers' Employers' Association.

It is this organisation which has granted the 39-hour week for supermarket

workers. Outside food retailing, USDAW—which has a relatively clear run from other unions in recruiting shop workers—has been seeking to build up its membership in the big High Street chain stores, such as Boots and Woolworth and it has managed to secure recognition as the main bargaining unit for staff from a number of store groups.

Its recruitment campaigns have included extensive use of newspaper poster, and transport advertising sites, and even local radio in Nottingham where Boots has its headquarters.

Another factor which seems certain to give a continuing impetus to union recruitment throughout retailing is the generally low wage levels. The new agreement, with supermarket operators takes pay for the lowest grades—such as shelf packers—up from a very low £42.30 per week to a still fairly low £55 a week in two stages. Pay in the non-food sector tends to be somewhat higher and, in some "branches" of retailing, there is scope for further earnings through commission. Even so, minima are still only around £50 in sectors, such as menswear.

According to USDAW officials, there is plenty of evidence, too, that the minima laid down by the retailing wages councils are often not paid by smaller establishments. This usually comes to light when a member of staff, probably in a single branch establishment, decides to try and improve his own lot

by seeking out union membership. The new challenge which the union will have to face in the next decade is posed by changes in retailing itself—changes which could prove to be as revolutionary as the post-war switch from corner store to supermarket shopping.

New electronic systems, now being introduced, will affect a variety of retailing operations from the need to price goods individually with sticky tags to stock control, re-ordering and warehousing. As a result, the back-up staff now required in supermarkets and other big volume outlets could be drastically cut.

Changes

Further into the future, the very nature of shopping could change. Instead of selecting goods from shelves, customers may, by the end of the century, be using a keying system to indicate the products they want which will then be taken out of the store, assembled, packed for loading into the family car. Instead of having to queue at the check-out the customer would simply have his bank account debited.

Such systems are clearly a long way off. The very possibility of such changes could be another factor, however, in promoting during the rest of this century the spread of unionisation within retailing.

Rhys David



He could prove to be one of our greatest assets.

Spar has many assets that help both the consumer and the manufacturer. Probably the greatest is the number of stores. Over 3,750 in all. So most customers have one within walking distance. With the escalation of petrol prices that will prove to be a more and more valuable mutual asset.

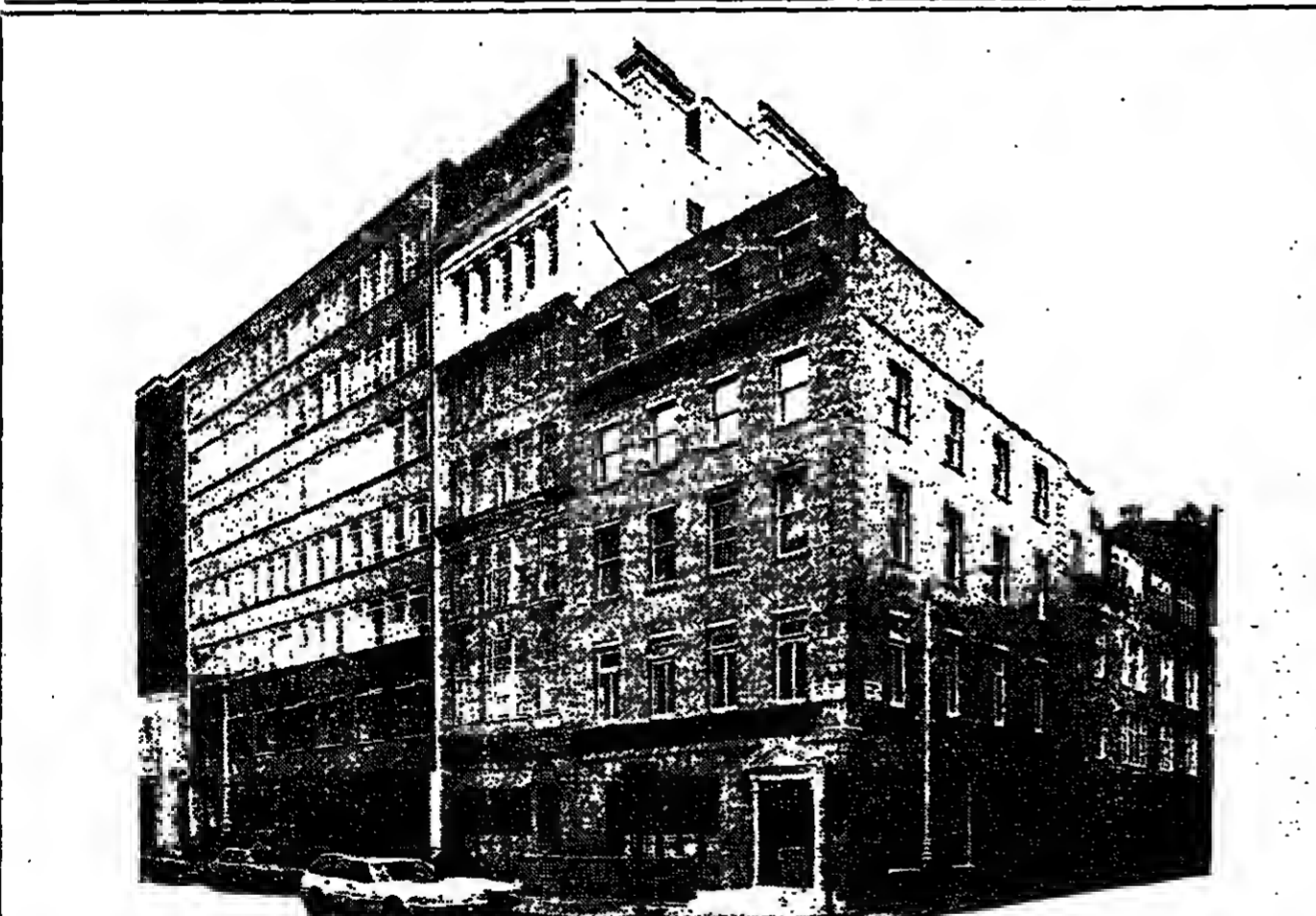
Another great Spar asset is our distribution network. There are only 16 Spar wholesalers. That saves you the cost of multi-store drops and the hassle of in-store merchandising assistance.

Spar also has other assets. Corner shop

friendliness and convenience and supermarket pricing and marketing policies.

So Spar can give you the best of both worlds; volume from the 3,750 and distribution from the 16.

Maybe everybody should walk in Spar's direction in the eighties and then no-one will have to foot such big bills.



One of the world's more famous shopping centres

The independent Partnership of Healey & Baker was founded in 1820 in London to advise the owners of real estate in the fast growing Metropolis.

The name Healey & Baker has grown synonymous with all the facets that reflect the varied and fast changing world of retail property.

A name now almost as

famous in the High Streets of Great Britain as the household names it continues to advise.

And a name too that has become familiar in such major centres overseas as Amsterdam, Brussels, Jersey, New York and Paris.

So if you are thinking of retailing in Great Britain or Europe

Come shopping at Healey & Baker.

Healey & Baker

Established 1820 in London
29 St. George Street, Hanover Square,
London W1A 3BQ 01-629 9292
City of London 118 Old Broad Street London EC2N 1AR
Amsterdam Brussels Glasgow Jersey New York Paris

RETAILING III

Big expansion in credit facilities

THE SPEED with which the retail trade have introduced its own credit card facilities over the past year, is a prime example of the trade's ability to cope with change and react quickly to new developments—the hallmark of a successful retailer.

Even so, retailers' alacrity in embracing "plastic money" came as a surprise to many people. But once the floodgates had been opened by one or two major retailers, it was inevitable that the handwagon effect would ensure that the trickle of available credit cards would soon become a flood.

For a number of years, menswear retailers such as Burtons and Hepworths have offered customers their own credit card type of facility. Department stores also have traditionally offered their customers special credit facilities. But now virtually every major High Street trader operates some form of credit facility for customers.

During the past year, stores such as Marks and Spencer, Boots, Tesco, Woolworths, Habitat, Dixons, and the Co-op have all launched their own credit facilities, albeit under the auspices of one of the large clearing banks or financial institutions.

The retail credit card facility that has proved the most popular with retailers—and customers as well—is the budget account card. Under this system the card holding shopper is able to borrow up to some multiple of an agreed monthly sum.

The minimum payment is usually at least £5—and there is often a maximum payment as well—and customers are allowed, for example, 24 times this amount in credit. Customers agree to pay off a certain amount each month—but there is nothing to stop customers paying off the whole amount.

With most cards interest is charged on a fixed date each month on the amount owed at



Electronic check-out system: an IBM 3653 point-of-sale terminal in use at British Home Stores, Wood Green, London

Electronic revolution in the High Street

WHILE MUCH attention within the retail trade has recently been focused on the imminent introduction of laser-scanning electronic check-outs in the grocery retailing sector, the development of sophisticated electronic technology is also having widespread repercussions throughout the whole retail sector.

The potential benefits to be achieved from the new technology has, in fact, led to suggestions that the introduction of new electronic checkouts will do more than just offer a more efficient form of traditional tills; it is argued that the degree of management information and stock control that can be achieved with the use of electronic equipment will be as great a revolution in the High Street as the introduction of self-service marketing techniques in the 1950s and 1960s.

The new systems have the potential to completely change the face of retailing management, enabling stock control procedures to incorporate at least daily—if not more frequent—stock level reports. Armed with such up-to-the-minute information, the store's management will be able to respond to sudden surges in demand for particular products, or identify areas where sales are weakest and not earning enough.

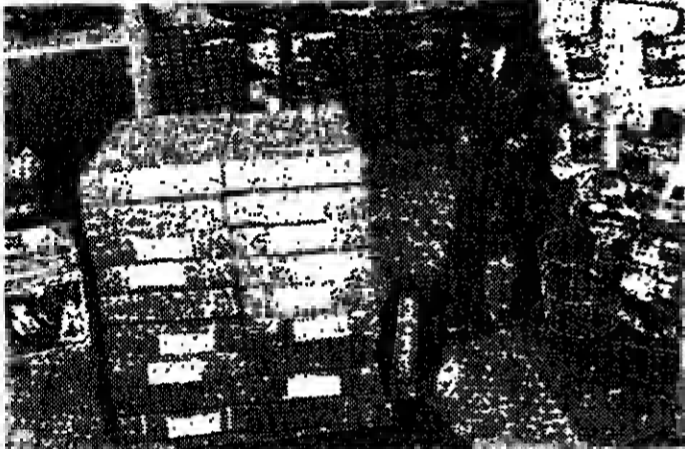
The pending electronic check-out revolution in the High Street will also be helped by retailers' need to replace the checkout systems they introduced for decimalisation in 1971.

retail system; the 3660 super-market system; and its new 5260 retail system. The 3650 system, for example, consists of a point-of-sale terminal, a merchandise ticket encoder, a visual display-based purchase order/receiving terminal, and a powerful controller that links the shop's retail system with a main computer.

Although the High Street revolution promised by electronic technology now looks increasingly imminent, it has taken a long time to finally arrive. The potential benefits of electronic, computerised store control were first mooted in the 1950s and some experimental installations were operating in the U.S. in the 1960s. But the technology developments in the 1970s have laid the way for the full implementation of the electronic revolution during the next decade.

D.C.

RETAILING POWER



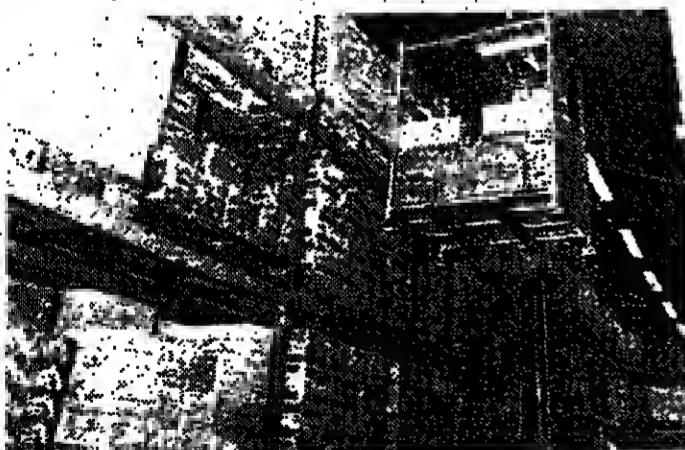
Lifting power

Lift and carry 2 tons safely and easily with the lightweight Rolatruc BT hand pallet truck.



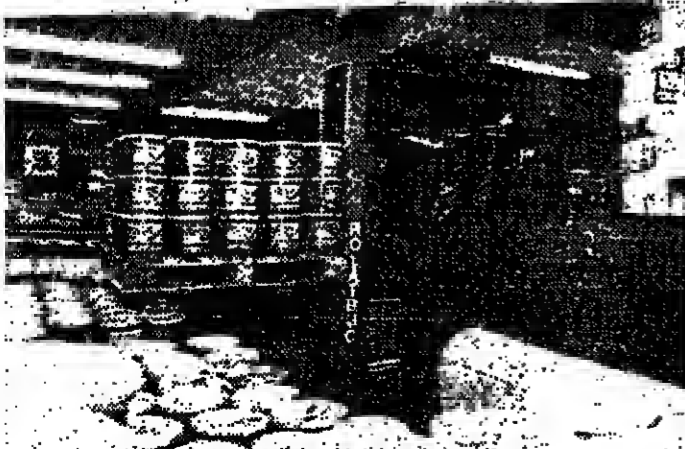
Shifting power

Shift the goods faster with the Rolatruc BT motorised pallet truck—for outstanding manoeuvrability.



Picking power

Pick your orders more directly by raising driver and load 2.5m with the Rolatruc BT counterbalanced order picker.



Packing power

Pack pallets neatly up to 3.8m with the space-saving Rolatruc BT hand stacker, perfect for small premises.

Rolatruc **FORK LIFT TRUCKS**

the time. With a few cards the monthly interest is worked out on the amount owed each day.

Marks and Spencer operates a different credit system in that, instead of signing a sales voucher when using a credit card, the customer has to write out a cheque from a special cheque book which has cheques already made payable to Marks and Spencer. Customers receive an identity card which is used when making a purchase, in the same way as a cheque guarantee card is used.

The importance of the expansion of credit facilities by retailers—and one of the main reasons for the speed of their introduction this year—is that they can help mitigate any fall in consumer demand as disposable income is cut by the pending economic recession. Retailers have flirted for some years with the traditional credit cards, such as Access and Barclaycard, but have held back from wholeheartedly embracing them because of a reluctance to pay the commission charged to the store by the card companies on every transaction. In addition, the fact that general credit cards do not exclusively link the cardholder to a particular store. (Conversely, this is one of the prime attractions of general credit cards to many shoppers.)

The importance of credit cards in consumers' spending patterns was shown by figures produced by the AGB research company. These show that in the few days between this year's announcement of higher VAT rates and the implementation of these new rates in the shops, it was the credit card holders who were able to take advantage of the position to buy goods on credit at the lower VAT prices.

AGB says that between June 13 and 17, expenditures by credit card and retail store account holders were more than twice what would be expected if the buying patterns had been normal.

The major credit card companies were aware of this dilemma facing retailers, in that they did not want to wholeheartedly embrace traditional credit cards, but at the same time saw the need for extra credit facilities to bolster sales during a recession.

The credit card companies—and other financial organisations—realised that the market potential lay in providing the operational expertise for retailers' own credit cards. Companies that already operated

credit cards could offer a lower cost (because overheads could be more widely spread) than retailers who operated their own scheme. One of the drawbacks of previous self-financed in-store credit schemes—such as operated by department stores—was that they were expensive to operate, since they tied up working capital.

The impact of credit card facilities becoming widely available at an economic cost was felt in three main ways. First, it led to their introduction in retail operations such as Woolworths which were traditionally regarded as down-market retail outlets.

Second, it enabled small retail chains—such as the Snob menswear chain—to offer its own credit facilities.

And, third, it helped persuade the supermarket groups to allow the use of credit cards for the purchase of food and drink. Previously, the supermarket chains had steadfastly maintained that it would be a mistake to allow food and drink to be bought on credit on the basis that once these were consumed, there was nothing for the credit company to repossess if payment were withheld.

However, the experience over years of operation by the big credit card companies about the incidence of bad debts finally

overcame such objections. It was found from experience that the type of purchase was not directly related to bad debts.

Companies providing retailers' credit schemes fall into two main groups: the clearing banks or their offshoots, and financial institutions.

Barclaycard was set up just over a year ago as the retail credit arm of Barclaycard. Barclaycard has some 25 schemes in operation at the moment, ranging from the menswear chain Dunn and Co., through to Habitat and International Stores.

Access, unlike Barclaycard, does not have a direct offshoot responsible for retailers' credit cards. Instead, each of the major banks which jointly own Access are able to negotiate with retailers to provide credit facilities, which are then actually implemented through the Access facilities.

Apart from the clearing banks, other companies involved in the provision of retail credit facilities include the Bradford-based Unicredit Finance, a subsidiary of the Provident Financial Group. The Woolworth's credit card scheme is one of Unicredit's major clients.

Citibank Trust operates the Marks and Spencer credit scheme.

David Churchill

UK store thefts top £700m a year

THE RETAIL trade has, for some time now, begun to look more seriously at the problem euphemistically described as "shrinkage"—but more accurately known as theft—either by staff or customers. The impetus to deal with this problem has not arisen from any surge of moral rectitude, however, but from the harsh commercial reality that retailers can no longer afford to lose between 2 to 3 per cent of their turnover every year because of theft.

The pressure on retailers' operating costs during the past two years seems certain to intensify in the difficult trading times ahead and, with consumer demand likely to be hit by the economic recession, retailers will find it increasingly difficult to pass on the costs of theft to customers in the form of higher prices.

Estimates suggest that the overall loss to retailers from staff and customer theft at more than £700m, although many within the trade acknowledge that the true figure could be more than twice that amount. Retailers declare that the losses represent the equivalent of a Great Train Robbery every 36 hours.

Put another way, two to three per cent "theft tax"—as much as grocery retailers, for example, earn in net profit margins—is paid by honest customers in the form of higher prices.

Home Office figures suggest that for every £1 "lost" by a retailer, about 30p is genuine wastage, 30p is through shoplifting, and the rest through staff theft.

Last year, some 203,643 shoplifting offences were reported to the police—a fall of some 6.5 per cent over the previous year—yet many shoplifters are not caught and many more cases go unreported. Although many retailers in the past have paid lip service to the concept of preventing shoplifting, there seems little doubt that the growth of self-service methods and other marketing techniques have made shoplifting easier.

Putting umbrellas next to the door on a rainy day because that is where they "sell best" is perhaps good sales practice—but poor security. Yet theft losses have to be quite high to persuade the retailer to invest

the display to a more secure place.

The growth in the size of store groups and multiple chains has also enabled shoplifters to rationalise their crime by considering the theft as being against a large, impersonal company, rather than against an individual.

Many retailers, moreover, have been reluctant to prosecute in every case of theft because of the amount of management time that can be lost in attending a court case, or because of the bad publicity attached to prosecuting children or old age pensioners. But theft by children and young people is the fastest growing crime area for retailers.

A Home Office report on shoplifting notes that few shoplifters will bother with devices such as concealed pockets and false-bottomed shopping bags, which tend to hit the headlines when exposed. Most rely, however, on working quickly, using a moment's inattention by staff to allow them to slip an article into a pocket or open bag.

One of the leading security organisations, Group Four, has estimated that about one in every 30 people going into a supermarket will steal, on average, £1.80 every time. In a department store, one in a 100 will steal £4 on average.

Since retailers are most unlikely to forsake modern marketing techniques solely in the interests of security, a balance has to be struck between allowing honest customers to buy goods as cheaply and conveniently as possible—and also avoiding the encouragement of crime.

The biggest deterrent to shoplifting is simply being seen. Shops whose staff are alert to the practice are the sort of shop that shoplifters tend to avoid. Staff training is thus an important part of the measures that can be taken—as is total management commitment to reducing shoplifting. Technical devices such as television monitors and convex mirrors can also make a big contribution to cutting down thefts, as several store groups have proved.

Although the actual number of thefts by staff reported to the police rose by only just over 3 per cent last year to 32,175—compared with the 31,333 shop-

lifting cases reported—the amounts lost by staff pilfering are proportionately much higher. The average value of employee theft is £827, whereas the average overall for shoplifting is only £19.

The favourite target for dishonest staff, according to the Home Office report, is the cash register with under-ringing the most frequently used technique.

A number of major retailers, including Marks and Spencer, came together in 1977 to form the Association for the Prevention of Theft in Shops which acts as a pressure group to educate retailers and the public about the consequences of the growth in shop thefts.

Baroness Phillips, the Association's director, says: "Our objectives will have been achieved when, and if, it is acknowledged in a changed climate of opinion that theft by either customers or staff is wrong on moral and economic grounds."

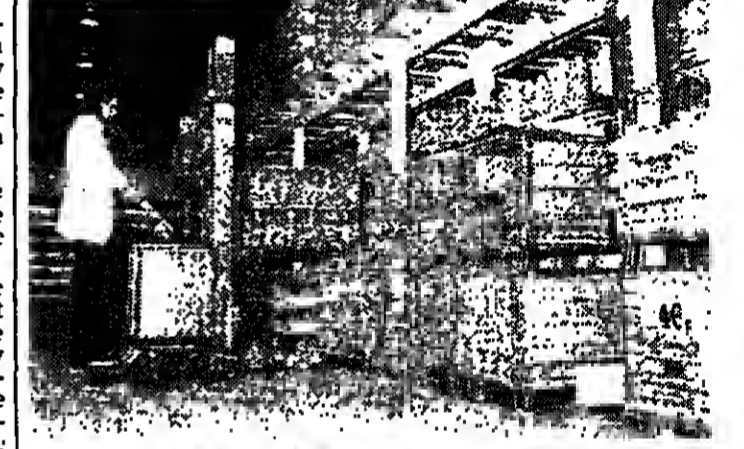
To help achieve the change in opinion, the association is lobbying educationalists, youth groups, trade unions, the churches, media, and social services. It is also co-operating with embassies, high commissions, and tourist Boards to ensure that overseas visitors to Britain are made fully aware of the UK retailing system and the penalties for theft. Tourists, who form a high proportion of shoplifters in the summer months, often claim to be confused and overwhelmed by the temptation offered by self-service selections.

The association's other chief role is to organise retailers to co-operate more with one another and to keep them informed of new anti-theft devices. Greater co-operation among retailers in guarding against groups of professional shoplifters and "blitzes" in certain areas where police and security staff mount extensive campaigns against theft, have achieved significant success in some areas.

The big test, however, of the effectiveness of the new, tough approach to store theft will come during the next few weeks as stores become crowded in the traditional pre-Christmas spending spree.

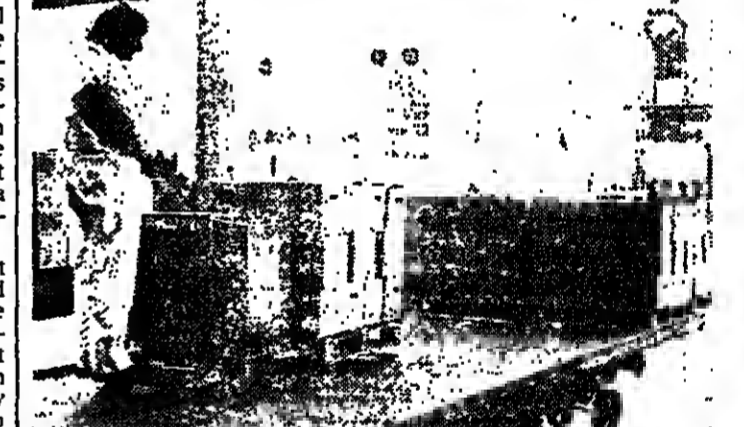
D.C.

RETAILING POWER



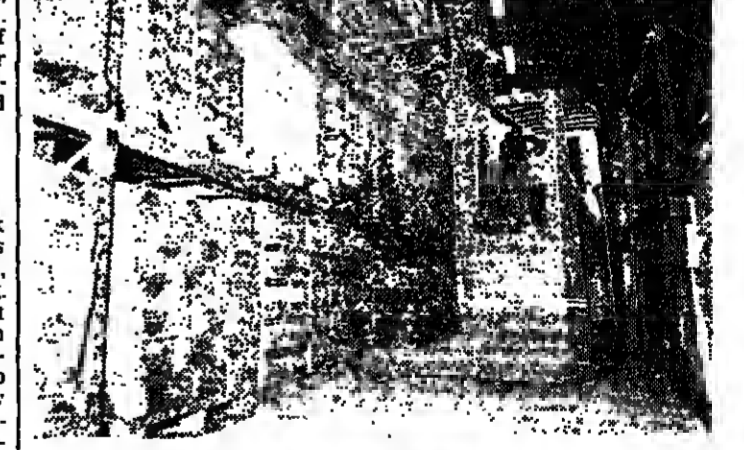
Stacking power

Stack goods even in the sales area with the compact high-reach Rolatruc BT pedestrian operated stacker.



Staying power

Stay operational under all conditions with the heavy-duty Rolatruc BT all-electric pallet truck, ideal for long journeys.



Turning power

Turn and manoeuvre in tight spaces with the Rolatruc BT reach truck—for maximum safety and stability at height.

TO: Rolatruc Limited, Shiring Road, Trading Estate, Slough, Berks SL1 4SY. Telephone: Slough 30551

I'd like to hear more about the powerful benefits of the Rolatruc BT range. Send me the full facts.

TICK HERE ANY PARTICULAR PRODUCT THAT INTERESTS YOU

Lifting power Picking power Staying power

Shifting power Packing power Turning power

NAME _____

COMPANY _____

ADDRESS _____

Earning power

Your Rolatruc BT trucks really earn their keep—a unique range of products to ease all your retail handling problems. For sale or rental.

Rolatruc **FORK LIFT TRUCKS**

RETAILING IV

Prospects in the 1980s for major sectors of the retailing industry are highlighted here and on the following page.

Superstore battle ahead

FOOD SECTOR

ALTHOUGH THE recent prolonged ITV dispute robbed grocery retailers of their normal quota of television advertising in launching their traditional autumn promotional campaigns, more than one food retailer probably expressed a sigh of relief at the blank television screens.

The dispute meant that any renewed attempt by Tesco, J. Sainsbury, or one of the other leading multiples to spark off another round of extensive price-cutting, with the full glare

of publicity, was strictly limited. But, paradoxically, the absence of television advertising meant that retailers had some of the extra resources needed to finance a new price war if they had wanted. Some, like Tesco, decided to use the money "saved" by the lack of television advertising to reduce prices on non-food items such as clothing, whose sales had slumped in the summer and early autumn. Tesco says it allocated £1m that would have gone into television advertising to cut prices in this way.

The fact that no serious attempt was made to start a new food price war shows how far the hostilities of the past few years are now largely held in check.

These hostilities broke out in 1977 when Tesco decided to make a major attempt to boost its sales volume by cutting prices. The theory was that by cutting prices (and profit margins, as well), the stores could generate sufficient extra volume in the short term to at least cover the lost profits. But, in the longer term, if the extra volume can be maintained after the initial price-cutting offensive, then a return to more realistic prices and profit margins will mean substantially higher profits.

Tesco, and to a large extent

J. Sainsbury, have both been extremely successful in pursuing this strategy during the past two years. The other major multiples have been forced to follow suit and had to compete fiercely merely to hold their market share. The losers, therefore, have been the smaller multiple chains and the numerous small grocery stores.

Sales

With their higher volume sales, Tesco and Sainsbury have been able to maintain their grip on the market and prevent any significant counter-offensives being fought. Tesco and Sainsbury can afford to keep prices and margins at a low level since they have the volume sales to make it pay. Their rivals, without the same sales volume, find their margins and profitability under increasing pressure.

In addition, even if a major multiple could afford another price-cutting operation at present, it is doubtful if it would have the same effect as the Sainsbury or Tesco campaigns. However glibly some supermarket chiefs may tell the public to be, there is a limit to housewives' willingness to believe every claim that the local store is "the cheapest shop around".

While prices will continue to remain competitive in the early 1980s, the real issue over which the continuing High Street war will be fought will be the battle for superstore development. The major multiples may not be able to launch another price-cutting offensive in the short term but, in the longer term, they can achieve the same result by boosting volume through the expansion of store selling space.

The significance of the superstores to the multiples was shown by the fact that last year saw a rapid spate of openings of superstores.

Yet, in spite of the seemingly inexorable trend towards large-store developments, there seems likely to be a place for the small corner-store type of grocery retailer in the next decade. Many retail experts expect that these stores will survive by charging higher prices for the convenience they offer of local shopping and being open later.

In the U.S. such stores are one of the fastest growing sectors of the retail trade.

However, the losers in the UK will be the small scale supermarkets which can offer neither the volume sales to be profitable nor the convenience of the corner shop.

David Churchill



A £5m development, opening today—Alders, first purpose-built, free-standing department store in Chatham High Street.

Fairly flat outlook

THE MULTIPLES

MANAGERS OF the high street multiple chains, peering into crystal balls in an attempt to predict next year's trading environment are unlikely to find anything to make them rush out and spend their latest tax rebates on champagne—assuming, that is, their crystal balls are revealing a similar picture to some of the City's top retailing analysts.

A straw poll of stockbrokers, Kemp Gee, L. Messel and Capel-Cure Myers reveals a fairly flat outlook for the major chains.

The level of consumer spending is obviously of paramount importance to prospects. All the brokers agree that sales volume is unlikely to show any growth in 1980. Undoubtedly there will be monthly variations, in particular the first quarter should look good against last year's snow-bound, strike-bound high streets.

Price inflation, on the other hand, could be running around 16 per cent or so which is not bad news as far as the retailers are concerned. But cost inflation could more than eat into sales growth and after rising rents, rates and wages take their bite the average rate of profit growth in the high street is likely to be little more than 10 per cent in 1980-81 (many of the companies' financial years start around February/March).

While this is a wide generalisation, the larger the retailing chain the harder it is for the group to effectively buck the overall trend. So the outlook for the multiples appears to be uninspiring.

In the short term a reasonably good Christmas trading period looks probable, depending on how much of the tax rebate finds its way to the retailer and how much to the Post Office telephone account.

The other important factor is the long-term effect of the recent Marks and Spencer price cuts. At the end of August M & S announced that it was cutting £11m off prices—its first major campaign since the early 'sixties. Admittedly, M & S has plenty of muscle and it does not hesitate in using it. Around £4m of the cuts will be financed at the expense of its suppliers.

The scaremongers warned that that it was the start of a price war comparable to the Tesco-inspired battle in the

food sector of a couple of years ago. Will other retailers be able to New Year? Probably not. It is doubtful the various management camps will be keeping a wary eye on the opposition, and specific campaigns during the course of the next 12 months cannot be ruled out.

Across the street, BHS remains sorting itself out from the effects of one price war, the supermarket battle, which hit the company's food retailing operations that accounted for a quarter of sales. BHS has restructured its food department in a move away from the "fresh food, counter service image," and has closed some of its smaller food operations.

Replacing food sales areas with higher margin non-food items has enabled BHS to regain some of its momentum as recent profit figures show. BHS made a significant profit in the third quarter, but it is not clear to compare the two groups.

The passing-out of food operations has also been one of the driving forces behind F. W. Woolworth's buoyant performance. The move towards clothing is encouraging and by the end of its current financial year (January 31) could account for a tenth of sales.

Doubts

Yet, even though the company has made considerable efforts to change its image—store modernisation and a major product range—there always appear to be nagging doubts. For example, in the quarter covering the pre-budget spending boom, sales increased by just 7.40 per cent. Nevertheless, "Woolies" now seems less vulnerable to any pressures in the sector which may come in 1980.

In another area—Books—the radically different from the other multiples mentioned earlier, in that it has a very significant industrial division, accounting for some two-thirds of profits. On the retailing side, Boots will no doubt be continuing its policy of a shift towards larger stores. It is expected to double its expansion of new selling area to 6 per cent this year. Yet Boots is a "mature" business and, as such, is open to competition from newcomers, while its expansion into large units selling records, hi-fi and a large range of photographic equipment, is taking it into highly competitive areas which could create more problems for the company.

Terry Garratt

Move to recover lost ground

THE CO-OPERATIVES

THE CO-OPERATIVE retail societies represent not only the biggest retailing organisation in Britain—with total sales last year in excess of £3bn—but also one of the retail sectors with some of the biggest problems.

The co-ops share of total retail sales has slipped back from 7.1 per cent three years ago to 6.8 per cent last year. Although similar declines have in the past been reversed by the co-ops, there is a growing feeling within the movement that retail societies will find it difficult to recover lost ground in the tougher trading conditions likely in the early part of the next decade.

The degree of concern now being shown within the movement itself is reflected in the current top-level talks about the formation of a national co-op trading organisation, to be called "Co-op Great Britain".

But even those who acknowledge the need for change within the movement give this latest reorganisation scheme little chance of coming about.

The co-op's main weakness—its lack of a central retailing organisation—is also, paradoxically, one of its main strengths. The co-op movement was created and developed very much along the lines of being a retail movement at local level. The co-op still has some 10.6m

customer-members who own and belong to the 201 retail societies throughout the UK.

This customer involvement is reflected in the co-op's current advertising theme—"Your caring, sharing co-op". The movement is rightly proud of its tradition of providing a service to all types of consumer—hence its retailing activities ranging from the smallest corner shop to the largest superstore. But it is difficult to reconcile the practice of 201 fiercely independent retail societies, each free to pursue its own retailing strategy, with the reality of the fierce competition in the High Street.

Independence

Symptomatic of the individual societies' independence is that fact that the retail societies only buy about two-thirds of their supplies from the co-operative Wholesale Society, the manufacturing and wholesaling organisation set up and owned by the societies to provide their supplies.

It is rather as though each Tesco or Sainsbury store was able to buy supplies from whom ever it liked and then pursue its own trading policy!

One of the basic problems of such a massive organisation as the Co-op (which in the past has been relatively successful) is how to adapt to the changing retail world. In the past, the lack of nationally organised aggressive competition meant that the inherent inefficiencies in the co-op's structure were not

exposed. But during the past decade, the co-ops have faced stiff competition in every retailing area.

In food retailing, for example, the co-ops have, at around 18 per cent, the largest share of the packaged grocery market. But this share has been gradually declining during the past two years of fierce price competition. During this time, Tesco's market share has jumped from 8 to 14 per cent. Some market analysts expect that within the next two years the unthinkable will happen and Tesco could overtake the co-op, in terms of market share.

To its credit, the co-ops have tried to fight back with a massive superstore development programme. But even though it is now the second largest superstore operator in the country, this expansion in store size is still insufficient to compensate for the many thousands of small uneconomic stores the societies are reluctant to close down. Many societies argue that they have a duty to their customers to continue to provide small shops as well as large.

But this policy has meant a drain on the movement's financial resources, so that the money set aside for capital investment has failed to keep pace with the necessary level of expenditure.

The dilemma remains, therefore, for the co-ops: how to reconcile commercialism with co-operation?

D.C.

A boom sector—but for how long?

FOOTWEAR

UNLIKE THE manufacturing sector, which has been squeezed by high costs and acute overseas competition, footwear retailing in the UK has been experiencing boom times over the past year or so.

The sector has probably benefited more than any other from the high level of consumer spending, although there are signs now that demand has peaked—and could slump dramatically.

Buoyant

But the pattern to date has been distinctly buoyant. Traditionally, the British public has bought fewer shoes than their industrial neighbours—two pairs a year for men and five or six pairs a year for women.

This has shown a marked improvement, thanks to increasing affluence and changing fashions. Apart from buying more leisure shoes, the public are generally trading up, notably in favour of leather uppers.

There has also been a noticeable increase in the sales of children's shoes as more parents become aware of the campaigns on health, education, while more people are choosing to replace footwear rather than repair them.

This has combined to give an increase in retail sales of a fifth over the past 12 months, with sales volume showing a gain of roughly a tenth.

According to the British Footwear Manufacturers' Federation, the lion's share of the increase has gone to the multiples where sales have jumped by almost a quarter. The independents have registered a near-16 per cent increase, while shoe sales through the co-operatives have risen by almost a tenth.

One of the most important events in the industry during the past 18 months was the Price Commission's report, in 1978, asking retailers to cut their trading margins. This was done on a voluntary basis, but the effect on retail sales was only marginal.

Of greater importance has been the sharp rise in leather prices. Over the 12 months to August, these have jumped by roughly 57 per cent, rises which must eventually filter through to the consumer.

This and the VAT increases causes many observers to be apprehensive about the future, caution which is echoed by Mr. Nicholas Calvert of the BFMA.

He believes that while tax rebates might give a short-term fillip, the immediate future is also clouded by telephone bill arrears and the proposed increase in mortgages from January.

While volume will obviously suffer, it is not yet certain whether this will outweigh the effect on sales of a higher inflation rate. August sales, according to BFMA statistics, show a near 10 per cent drop over the previous month.

Certainly, any consumer resistance will have to be countered by cuts in retail prices and this will put pressure on profit margins. After two good years of trading, the footwear retailing sector looks as if it is entering a difficult period.

Arnold Kransdorff

IT'S A FITTING EXHIBITION



If your company is concerned with serving the retailer with shopfitting, display or any of a vast range of services required to maximise retail business efficiency... then you should be participating in the 1980 Shopex exhibition.

To obtain further detailed information on costs and space still available, complete and post the coupon below to Westbourne Exhibitions Ltd, Crown House, Morden, Surrey, SM4 5EB. Tel: 01-540 1101. Telex: 926726.

Please send immediately full details on Shopex International '80.

Company _____
 Address _____
 Name _____
 Business _____
 Tel No _____

FT-1179



everyone can learn a lesson from the big multiples

Ever wondered why the Avery 1750 is so popular with both multiple retailers—and small independents? In a word—profitability. They both know it stops giveaway. Digital 1750 weighing means an exact price every time. No more doubling or trebling-up, no guesswork. Shopkeepers can bank on this world-leading scale. Seven years of tough service have proved its advanced electronics. Counter assistants love its easy operation. Shoppers love its bright digital read-out. Then there's the Avery

name—and all that means in quality, style and after-sales service. The 1750 does a great deal for profitability and reputation.



Advanced technology in weighing
 W & T Avery Limited,
 Smethwick, Walsley, West Midlands, B66 2LP
 Tel: 021-658 1112/2161 Telex: 339558
 A member of the Averys Limited Group of Companies

Hillier Parker's eye on the world



Since the primitives came down from the trees, man has had an urge to trade. From the very beginning, he developed a preference for the prime trading positions, low or even no rentals and benign or divine help with his shopping costs. The principle of the basic retail unit (Class 1) has changed little since those early days. Indeed, examples of the earliest can still be seen in many countries which have remained happily underdeveloped—and totally unaware of bureaucratic insistence on what is laughingly called hygiene. In fact, little has changed—even to the case of incipient shoplifting illustrated here.

Hillier Parker is shops—the buying, the selling, the letting, the finding, the funding—all to the highest modern standards and in the right place. Shoplifters, pythons, vultures and flies remain optional.



77 Grosvenor Street, London W1A 2BT Telephone: 01-629 7666
 and City of London • Edinburgh • Paris • Amsterdam • Sydney • Melbourne • Brisbane

هكذامن النحل

Meeting the demands of the product with Craftsmanship

For the highest standard in every aspect of shop and office fitting



SHOPFITTERS LIMITED

54 LOWER MARSH LANE KINGSTON SRY

01-390 2101

JOIN IN THE SWING..... Britain's Foremost Retail Stores

FIT "POLLADOR" STANDARD STAINLESS STEEL DOORS

Write for TECHNICAL BROCHURE



Highbury Grove, London, N5 2EE. Tel: 01-226 3355.
 Telegraphic Address: Pollajewel, London, N5.

British Home Stores Ltd., Huddersfield.

Still...
 DEPARTMENT STORES
 Good for...
 MAIL ORDER
 The CONSUMER DURABLES
 H...
 CLOTHING

RETAILING V

Still confident despite vulnerable position

DEPARTMENT STORES

DEPARTMENT STORES, which are traditionally vulnerable to economic recession and high inflation, are battling down the batches to prepare for the expected stormy trading weather ahead.

Selfridge's, for example, recently made clear its intention of pulling out of its direct selling mail order business — a sector that was clearly becoming overcrowded and therefore uneconomic — to concentrate all its management resources on maintaining its sales volume in the early 1980s.

All the department store groups are determined to ensure that the hard-fought campaigns of the 1970s — when the decline of the previous two decades was halted and the mid-seventies economic recession overcome — are not wasted. It was in the two decades up

to the early seventies that the department stores — traditionally the flagship of British retailing — finally looked as if they might finally fulfil the predictions and become an untamed form of retailing. But the sheer trading bulk of the 800 or so department stores scattered throughout Britain enabled the sector to hold on and begin to fight back in the early seventies.

The recovery in the fortunes of the department stores sector was not achieved by any radical retailing formula but by the application of modern retailing techniques to a sector that had traditionally spurned such methods. Thus, the department stores tightened up on their management controls and rebranded their market image. Central buying was strengthened to ensure that the largest discounts were "obtained", thus enabling price competition to take place with the more aggressively price-cutting multiples.

At the same time, the large number of lines stocked by department stores were reduced, without losing their traditional advantage of wider stocks than

that carried by smaller retail outlets.

The department stores also extended their product ranges in some areas, such as sports and leisure goods and children's clothes, at the expense of traditional areas, such as haberdashery, which were in decline. The stores also invested heavily in improving their image by modernisation, introducing more self-service and generally brightening-up the trading areas. Other stores have introduced own-label lines to improve customer loyalty.

Result

The result of all this activity was that, by 1973, the department stores were enjoying their highest penetration of the total retail market for more than 20 years, with a 5.1 per cent market share compared with 4.6 per cent in the mid-sixties.

However, the department stores were then caught by the mid-1970s recession and price inflation — which caused consumers to trade down to more obvious discount-type stores.

Thus, department stores' market share slipped back to 4.9 per cent in 1976, from which it did not recover until the improved trading conditions last year to reach 5 per cent.

The high degree of concentration, which has been a marked characteristic of the department store sector since the war, has continued. The largest five groups now account for about three-quarters of the trade, compared with 65 per cent in 1970.

The leading department stores group is the House of Fraser, with about 29 per cent of the sector's turnover, followed by the Debenhams group, with 19 per cent, and the John Lewis Partnership with 14 per cent.

Although the market prospects for department stores are far from rosy if the expected slump in consumer demand materialises, most sector analysts are confident that the majority of stores are now in a stronger position to withstand the increasingly tough trading conditions.

D.C.

Good scope for growth

MAIL ORDER

AFTER A bright first half to the year, the mail order sector's growth has been inhibited both by the pre-Budget buying boom — which largely favoured High Street retailers — and by the effect of the tax changes in the Budget, which favoured the higher-paid groups which, traditionally, are not strong mail order customers.

Despite this — and the problems caused by the various Post Office industrial disputes, this year — the mail order sector is expected to perform better in total this year than the non-food sector as a whole.

The mail order sector accounts for some 5 per cent of total retail sales, compared with 3.8 per cent in 1971. It also now accounts for 8.7 per cent of non-food retail sales, compared with 7.1 per cent in 1971. Mail order companies had a

total turnover of £2.1bn last year, a 17 per cent increase over 1977.

However, this growth rate was less marked than in previous years, reflecting the less buoyant disposable income of the typical mail order customers.

Campaigns

Yet, those market analysts who predict that the days of go-go growth for mail-order companies are now over, as a result of changing retail patterns, such as discount stores, as well as the effect of the market of northern working-class housewives, are still probably being unduly pessimistic.

Stockbrokers Phillips and Drew, for example, remain convinced that "there still seems scope for the sector to increase market share." It is suggested that recent recruitment campaigns by the various mail-order companies have produced significant increases in agency strength.

VALUE OF RETAIL TRADE BY DIFFERENT OUTLETS (1974-1978)

Year	Total retail trade (£m)					Department stores
	Food	Clothing and footwear	Durable goods	Other non-foods	Mall order	
1974	23,910	9,950	3,605	2,730	5,330	1,160
1975	28,430	12,015	4,165	3,185	6,360	1,380
1976	32,610	14,060	4,605	3,550	7,275	1,605
1977	37,135	16,115	5,260	3,910	8,230	1,815
1978	42,380	17,975	6,210	4,625	9,355	2,100

Source: The Economist Intelligence Unit based on Department of Industry indices and the 1971 Census of Distribution.

"Even allowing for the growing number of dual agents, currently running at a third of all agents, the sector is clearly attracting new customers," say the brokers.

The emphasis on mail order's traditional credit facilities, and the convenience of mail-order shopping, remain strong attractions. In addition, the continuing improvements in various aspects of the mail-order operation — such as catalogue presentation and speed of service — obviously improve the sector's position.

However, the mail-order sector does face a potential problem in the shape of any increased unemployment as a result of economic recession.

The impact of the Budget also shows the way in which the sector's fortunes can be hampered or helped by political moves. The switch from

direct to indirect taxation in the Budget resulted in a redistribution of disposable income in favour of the higher-paid groups. The tax rebates received in October pay packets, therefore, probably had a greater impact on High Street spending than on mail order.

Moreover, as the new higher VAT prices were announced after the autumn/winter catalogues had been printed, the mail order companies have been forced to issue additional price lists with the catalogues.

"This constant reminder of the price increases could well be a deterrent to customers, while it will also be more difficult for the mail-order companies to load the price increases in such a way as to maintain the prices on key lines," point out Phillips and Drew.

D.C.

The demand remains strong

CONSUMER DURABLES

CONSUMER DURABLE retailers are still trying to recover from the massive pre-Budget buying spree last summer when stocks of durables, such as colour televisions, fridges, and freezers, were snapped up by an eager public, keen to beat any swinging VAT increase.

In fact, since most electrical durables were already carrying VAT at the higher rate of 12.5 per cent, consumers were actually making the least savings in buying durables rather than other goods which were carrying the lower VAT rates.

However, the pre-Budget spending spree reflects the strength of demand for durables over the past 18 months during the peak period of the consumer boom.

This was in contrast to the

previous four years when volume growth in durables was very low in line with the overall economic recession. In 1978 durable goods retailers had combined sales of more than £2.5bn which represented a rise of almost a fifth on the previous year — the highest sales growth rate ever for the durable sector. But, more encouragingly for the trade, was the increase in volume growth last year after years of static volume sales.

In contrast to the last major boom within the sector in 1972-1973, there was little benefit from the introduction of new products, with the surge in sales coming, therefore, from the build up in replacement demand after the prolonged squeeze on living standards.

However, the contribution from new products is likely to become increasingly important in the sector during the next few years. Leading retailers are making a significant marketing effort to promote the new generation of sophisticated video hardware, such as video games

and cassette recorders. Growth in demand for these new products should help to offset any slow-down in replacement demand.

Specialist electrical durable goods retailers have faced stiff competition during the past 18 months from non-specialist outlets such as Tesco, Asda, and Woolworths which have all captured an increasing share of the market, although still accounting for a smaller proportion than the specialist shops. But as growth in the sector slows down, and new products become more important, it seems likely that this will favour the specialist stores who are increasing their marketing activities for new products.

Expansion

Within the specialist sector, the multiple chains have been increasing their share of the market at the expense of the independents. As the multiples only account for some 40 per cent of total sales through specialist shops, there is substantial room for further expansion.

The largest multiple is the Currys chain, followed by Comet, Rumbelows, and Trident. In the immediate future, the Economist Intelligence Unit has forecast that turnover increases will be cut back quite sharply for all the various sub-sectors of the industry, except for television rental specialists "who have been faring relatively less well recently for particular reasons, including partly artificial price restraint and competition," says the EIU.

But the EIU adds that "feeling freed from moral obligations to restrain price rises and facing a downturn in market buoyancy, the rental specialists can be expected to respond with price increases so that turnover might be expected to rise of the order of 15 per cent for the year to around £1.2bn."

Significantly, Currys has recently announced plans for its own entry into the television rental market.

D.C.

Hopes for better trading

CLOTHING

CLOTHING RETAILERS, like everyone else in the High Street, are affected by the level of consumer spending, but no other segment of retail trade, except perhaps footwear, is so vulnerable to changes of fashion and the vagaries of the weather.

This year has certainly proved the point, and before looking forward to 1980, with all the likely pressures for the retail sector, a retrospective appraisal must be made of 1979. The clothing retailers will be comparing next year's results with a particularly difficult period and many seem to be reasonably confident.

The weather has been one of the big problems in 1979. The spring was too cold and fashion lines did not move at all well. And besides the weather problem, the clothing sector had to face the Government's VAT hike. In anticipation of the increases, consumer spending

shot up ahead of the higher rates, but the clothing sector saw little of this bonanza. The public was out buying "big ticket" items — it was the durable retailers who had the fun.

This diversion of spending away from clothes also left a big vacuum in the summer, when the public had little spare cash to go out and spend on new clothes. The fashion end of the trade was particularly hit, and by the end of the season many retailers were left overstocked and dramatic "mark downs" were needed to move lines, with an obvious depressing impact on profits.

Finally, an Indian summer hit sales of autumn/winter clothing, rounding off a pretty poor year.

That is now history, but for all we know the weather and the traditional sales periods for clothing could be out of phase again next year. No matter how hard the retailers try to buy to match demand with profit, the fashion trade is always something of a gamble.

Those who have been hardest hit in 1979 should logically fare

much better next year, assuming a normal pattern. Chains such as Harry Fenton (part of Combined English Stores), Lord John and Lady at Lord John (part of Raybeck) and Miss Selfridge (part of Sears) which have been riding a rough patch, should see better trading.

The more stable areas of clothing sales, such as those enjoyed by the multiples, Marks and Spencer, British Home Stores and Littlewoods, have had a much better year, but by the same token the prospects for growth in 1980 are more restricted.

Pressure

On the menswear front, both Burton and Hepworth are better placed to face any pressure on the market than they were in the early seventies. Structural problems, in particular those of Burton, have been overcome to a great extent.

Burton has changed its image dramatically in recent years by widening its appeal to younger buyers and more casual clothes. It is the company's conviction

that men — not just young men — are generally becoming more fashion conscious and requiring a greater range of clothes.

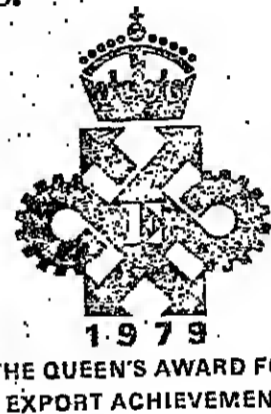
Burton has also expanded significantly into ladies clothing. At the beginning of September it bought the Dorothy Perkins chain of fashion stores which roughly means that the group is equally represented in both ladies' and men's clothing in terms of sales. As the company brings Dorothy Perkins into the group there will be benefits which should leave the company reasonably well-placed next year.

As for the West End, that has been particularly hard-hit because of the lower level of tourist spending. Next year should see some revival in the fortunes for West End clothing retailers, in line with much of the fashion end of the trade — but, unless sterling collapses, a modest rate of growth (rather than the boom conditions of a couple of years ago) look to be the order of the day.

T.G.



There are over 350 Mothercare shops in ten countries. We serve the Mother-to-be, her baby and children up to 10 through our catalogue in a further 130 markets overseas.



Mothercare

THE QUEEN'S AWARD FOR EXPORT ACHIEVEMENT

This little piggy went to market

DAILY Mirror WIN A FABULOUS HOLIDAY IN HAWAII

PORK'S GOT THE LOT!

It's a great favourite with my family, says Enid Baker

TAKE TEN TASTY TIPS..

ASK THE EXPERT..

FREEZER FACTS

Ring 0 and win

The Pork Mirror, And in Scotland, the Pork Record. Over 5 million special issues of our two daily newspapers are being handed out in 33,000 supermarkets and butchers' shops, where customers are being lured by a huge point-of-sale poster campaign. They're crammed with interesting and useful facts about pork, money-off coupons and a meaty £20,000 competition.

This massive operation is just part of the giant tie-up between Mirror Group Newspapers and the Meat Promotion Executive.

From November 1-15, British Meat are running an ad each day, including three double-page spreads. Each ad contains a special phone number, linking the caller to MGN's special Ansafone facility, Tape Time, and fifteen mouth-watering recipes. It makes sense to market with the Mirror/Record. After all, one success leads to another. Just imagine the power of a branding process which links your product with ours. And then give these guys a ring. Ron Oxlade (01-822-3181) or Charles Johnson (01-822-3314)

Mirror Group Newspapers

INTL. COMPANIES and FINANCE PENDING DIVIDENDS

Increased profit from Munich Re

By Jonathan Carr in Bonn

MUNICH RE, which claims to be the world's largest reinsurance enterprise, raised net profit to DM 55m (\$30.6m) in the year ended June 30, compared with DM 47m, a gain of 17 per cent. The company proposes to pay an unchanged dividend of 18 per cent on eligible capital raised by DM 42m to DM 147m...

Norwegian engineer still in surplus

BY FAY GJESTER IN OSLO

NORWAY'S Aker shipbuilding and heavy engineering group achieved a small profit in the first eight months of this year despite the shipbuilding recession. More than half the group's capacity was employed in offshore construction and industrial contracting...

Swiss Bank Corporation improving

By Our Financial Staff

SWISS BANK CORPORATION, one of the three commercial banks in Switzerland, expects significantly improved results for 1979 following a rise of 15 per cent in revenue over the first nine months of the year...

PENDING DIVIDENDS

For the convenience of readers the dates when some of the more important company dividend statements may be expected in the next few weeks are given in the following table...

Table with columns: Data, Announcement last year, Data, Announcement last year. Lists various companies and their dividend dates.

Ricoh lifts earnings

By Our Tokyo Correspondent

RICOH COMPANY, a leading maker of plain paper copiers, increased net profits by 50.3 per cent in the half-year ended September 30 to ¥5,599m (\$53.3m), despite a decline in exports related to part of renegotiations of overseas sales contracts...

New products boost sales at Japanese camera group

By RICHARD HANSON IN TOKYO

NIPPON KOGAKU, the maker of Nikon cameras, has reported a 37.2 per cent rise in net profit for the half-year ended September 30, to ¥1,859m (\$7.7m) with sales boosted by the introduction of a new, highly automated camera...

Potential profits for Newfoundland refiner

The Receiver of the bankrupt Come-by-Chance oil refinery of Newfoundland is satisfied that the refinery is potentially capable of operating on a profitable basis...

LOCAL AUTHORITY BOND TABLE

Table with columns: Authority, Annual Interest, Life, etc. Lists local authority bonds with interest rates and maturities.

CURRENCIES, MONEY and GOLD

Bad news is good news

Bad news is not always disastrous for a currency, as sterling and the dollar proved last week. Last week's UK banking figures indicated a rate of monetary growth much higher than expected...

Sterling's strength was a reflection of the belief that measures would be taken to bring money supply growth back within official targets, including a rise in Bank of England Minimum Lending Rate.

The level of bids at Friday's Treasury bill tender underlined market nervousness, with only £329.64m bid for £300m bills, compared with £554.79m for a similar number the previous week.

A rise of 1/2 per cent to 15 1/2 per cent in MLR, under the market related formula terminated in May last year. In New York on Friday prime rates were 15-15 1/2 per cent.

GOLD

Table showing gold prices for various countries and currencies.

OTHER MARKETS

Table showing prices for various commodities like wheat, sugar, etc.

THE DOLLAR SPOT AND FORWARD

Table showing dollar spot and forward rates for various countries.

RECENT ISSUES

Table listing recent issues of stocks and bonds.

FIXED INTEREST STOCKS

Table listing fixed interest stocks and their prices.

"RIGHTS" OFFERS

Table listing rights offers for various companies.

EURO-CURRENCY INTEREST RATES

Table showing Euro-currency interest rates for various currencies.

THE POUND SPOT AND FORWARD

Table showing pound spot and forward rates for various countries.

LONDON MONEY RATES

Table showing London money rates for various currencies.

CURRENCY RATES

Table showing currency rates for various countries.

Sir Eric Sachs left £134,190

SIR ERIC SACHS OF Wadhurst, Sussex, a former Lord Justice of Appeal, who died on September 1, aged 81, left £134,190 gross, £124,190 net. He left £4,000 to the Middle Temple Benefactors Fund, requesting the income be used to institute a 'Lord Justice Sachs Entrance Exhibition' to be awarded annually to an undergraduate or graduate of Christ Church, Oxford, who intends to practice at the Bar.

A FINANCIAL TIMES SURVEY

FRANCHISING

NOVEMBER 28, 1979

The Financial Times is proposing to publish a Survey on Franchising. The provisional editorial synopsis is set out below:

INTRODUCTION A look at how the franchising system works and why it is one of the fastest growing sections of the retail industry. The prospects for the industry in the 1980s.

WHY BECOME A FRANCHISEE? What are the personal attractions of franchising? A detailed look at the financial and business aspects for the franchisee.

FIRST-GENERATION FRANCHISES 85,000 "first-generation" franchise operations are present being run in the United Kingdom, a look at how these have grown and their future developments in the 1980s.

SECOND-GENERATION FRANCHISES The newer franchise operations—such as fast food or cleaning services—and how they work.

FRANCHISING SECTORS IN DETAIL A more detailed look at the companies and opportunities in franchising:

- (a) Foods — restaurants, take-aways, ice cream, etc.; (b) Automotive Services — rust proofing, car tuning; (c) Cleaning and Sanitation — drain cleaning, carpet and vinyl cleaning; (d) Other Services — instant printing, retailing, hairdressing.

For further information and advertising rates please contact:

Francis Phillips, Financial Times, Bracken House, 10 Cannon Street, London EC4A 3DF. Telephone: 01-249 4782. Telex: 885033 FINTIM G

FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

The content, size and publication dates of Surveys in the Financial Times, are subject to change at the discretion of the Editor.

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS - contd.

Large advertisement for Unit Trust Service, Offshore & Overseas, listing various investment options and contact information for Francis Phillips.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Discretionary Unit Fund Managers
22 Broad St., EC2M 7AL, 01-436 4405
E. F. Winchester Fund Mgmt. Ltd.
44, Broad Street, W1A 2RQ, 01-423 8993

Table listing various unit trusts and their managers, including:
Mayflower Management Co. Ltd.
Target Unit Trusts (a)
Confederation Life Insurance Co.
London A'deen & Nth. MU. Assur. Ltd.
Scottish Widows' Group
Capital International S.A.

Table listing various unit trusts and their managers, including:
Commercial Union Group
Confederation Life Insurance Co.
Credit & Commerce Insurance
Crown Life Assurance Co. Ltd.
Carnhill Insurance Co. Ltd.
Credit & Commerce Insurance
Crown Life Assurance Co. Ltd.

Table listing various unit trusts and their managers, including:
The London & Manchester Ass. Co.
M & G Group
Standard Life Assurance Company
Sun Alliance Fund Mgmt. Ltd.
Sun Alliance Linked Life Ins. Ltd.
Sun Life of Canada (UK) Ltd.

Table listing various unit trusts and their managers, including:
First Fidelity Investment Trusts
First Fidelity Investment Trusts
First Fidelity Investment Trusts
First Fidelity Investment Trusts

NOTES
Prices are in pence unless otherwise indicated.
Yield % (shown in last column) shows the yield on the unit price.

INSURANCE PROPERTY BONDS

Table listing insurance and property bonds, including:
NPI Investments Ltd.
General Portfolio Life Ins. Co. Ltd.
Gresham Life Ass. Soc. Ltd.
Growth & Sec. Life Ass. Soc. Ltd.
Guernsey Royal Exchange

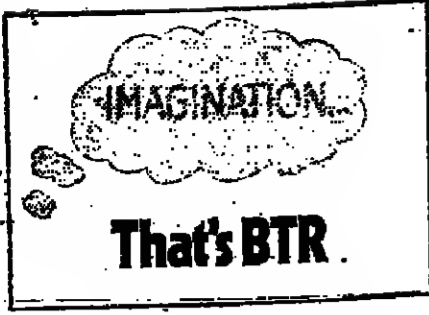
OFFSHORE & OVERSEAS FUNDS

Table listing offshore and overseas funds, including:
Alexander Fund
Allen Harvey & Ross Inv. Mgt. (C.I.)
Arbuthnot Securities (C.I.) Limited
Bank of America International S.A.

Continued on previous page

FT SHARE INFORMATION SERVICE

FOOD, GROCERIES—Cont.



FOREIGN BONDS & RAILS

BANKS & HP—Continued

CHEMICALS, PLASTICS—Cont.

ENGINEERING—Continued

BRITISH FUNDS

“Shorts” (Lives up to Five Years)

Table listing various British funds with columns for Stock, Price, and Yield.

Five to Fifteen Years

Table listing funds with 5 to 15 year maturities.

Over Fifteen Years

Table listing funds with over 15 year maturities.

Undated

INTERNATIONAL BANK

CORPORATION

Table listing international bank and corporation shares.

COMMONWEALTH & AFRICAN LOANS

Public Bond and Ind. Financial

Table listing commonwealth and african loans.

AMERICANS

Table listing American stocks with columns for Stock, Price, and Yield.

BEERS, WINES AND SPIRITS

Table listing beer, wine, and spirit stocks.

DRAPERY AND STORES

Table listing drapery and store stocks.

BUILDING INDUSTRY, TIMBER AND ROADS

Table listing building industry, timber, and road stocks.

CANADIANS

Table listing Canadian stocks.

BANKS AND HIRE PURCHASE

Table listing bank and hire purchase stocks.

ELECTRICALS

Table listing electrical stocks.

FOOD, GROCERIES, ETC.

Table listing food, grocery, and other stocks.

HOTELS AND

Table listing hotel stocks.

INDUSTRIALS

Table listing industrial stocks.

FINANCIAL TIMES

PUBLISHED IN LONDON & FRANKFURT

Head Office: The Financial Times Limited, Bracken House, 10 Cannon Street, London EC4A 4BF.

Frankfurt Office: The Financial Times (Europe) Ltd, Frankfurter 68-72, 6000 Frankfurt-am-Main 1.

INTERNATIONAL AND BRITISH OFFICES

- List of international and British offices with addresses and phone numbers.

ADVERTISMENT OFFICES

- List of advertisement offices with addresses and phone numbers.

OVERSEAS ADVERTISEMENT REPRESENTATIVES

Central and South America, Africa, the Middle East, Asia and the Far East.

SUBSCRIPTIONS

Copies obtainable from newspapers and bookshops worldwide or on regular subscription from subscription departments—Financial Times in London, Frankfurt and New York.

For Share Index and Business News Summary in London, Birmingham, Liverpool and Manchester, Tel: 246 8026

FINANCIAL TIMES

PUBLISHED IN LONDON & FRANKFURT

Head Office: The Financial Times Limited, Bracken House, 10 Cannon Street, London EC4A 4BF.

Frankfurt Office: The Financial Times (Europe) Ltd, Frankfurter 68-72, 6000 Frankfurt-am-Main 1.

INTERNATIONAL AND BRITISH OFFICES

- List of international and British offices with addresses and phone numbers.

ADVERTISMENT OFFICES

- List of advertisement offices with addresses and phone numbers.

OVERSEAS ADVERTISEMENT REPRESENTATIVES

Central and South America, Africa, the Middle East, Asia and the Far East.

SUBSCRIPTIONS

Copies obtainable from newspapers and bookshops worldwide or on regular subscription from subscription departments—Financial Times in London, Frankfurt and New York.

For Share Index and Business News Summary in London, Birmingham, Liverpool and Manchester, Tel: 246 8026

FINANCIAL TIMES

PUBLISHED IN LONDON & FRANKFURT

Head Office: The Financial Times Limited, Bracken House, 10 Cannon Street, London EC4A 4BF.

Frankfurt Office: The Financial Times (Europe) Ltd, Frankfurter 68-72, 6000 Frankfurt-am-Main 1.

INTERNATIONAL AND BRITISH OFFICES

- List of international and British offices with addresses and phone numbers.

ADVERTISMENT OFFICES

- List of advertisement offices with addresses and phone numbers.

OVERSEAS ADVERTISEMENT REPRESENTATIVES

Central and South America, Africa, the Middle East, Asia and the Far East.

SUBSCRIPTIONS

Copies obtainable from newspapers and bookshops worldwide or on regular subscription from subscription departments—Financial Times in London, Frankfurt and New York.

For Share Index and Business News Summary in London, Birmingham, Liverpool and Manchester, Tel: 246 8026

Vertical advertisements on the right edge of the page, including 'INDUSTRIALS' and 'INSURANCE'.

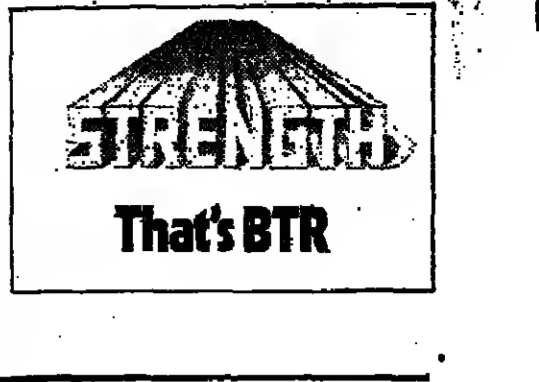
INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INVESTMENT TRUSTS—Cont.

FINANCE, LAND—Continued



MINES—Continued

Table listing various mining companies and their stock prices, including Central African and Australian mines.

AUSTRALIAN

Table listing Australian mining and industrial companies such as BHP, Anglo, and others.

TINS

Table listing tin mining companies and their stock prices.

COPPER

Table listing copper mining companies and their stock prices.

MISCELLANEOUS

Table listing various miscellaneous stocks and their prices.

NOTES

Notes section containing financial news, market commentary, and company announcements.

REGIONAL MARKETS

Table showing regional market data for various areas, including London, New York, and other international markets.

OPTIONS

Table listing options contracts, including 3-month call rates for various stocks.

Main table for INDUSTRIALS—Continued, listing numerous industrial companies and their stock prices.

Main table for INSURANCE—Continued, listing insurance companies and their stock prices.

Main table for PROPERTY—Continued, listing property-related companies and their stock prices.

Main table for INVESTMENT TRUSTS—Cont., listing various investment trusts and their stock prices.

Main table for FINANCE, LAND—Continued, listing financial and land-related companies and their stock prices.

LEISURE

Table listing leisure and entertainment companies and their stock prices.

MOTORS, AIRCRAFT TRADES

Table listing motor and aircraft trade companies and their stock prices.

Commercial Vehicles

Table listing commercial vehicle companies and their stock prices.

Components

Table listing component companies and their stock prices.

Garages and Distributors

Table listing garage and distributor companies and their stock prices.

NEWSPAPERS, PUBLISHERS

Table listing newspaper and publishing companies and their stock prices.

PAPER, PRINTING

Table listing paper and printing companies and their stock prices.

ADVERTISING

Table listing advertising companies and their stock prices.

PROPERTY

Table listing property companies and their stock prices.

INSURANCE

Table listing insurance companies and their stock prices.

SHIPPING

Table listing shipping companies and their stock prices.

SHOES AND LEATHER

Table listing shoes and leather companies and their stock prices.

SOUTH AFRICANS

Table listing South African companies and their stock prices.

TEXTILES

Table listing textile companies and their stock prices.

TOBACCO

Table listing tobacco companies and their stock prices.

TRUSTS, FINANCE, LAND

Table listing trusts, finance, and land companies and their stock prices.

Investment Trusts

Table listing investment trusts and their stock prices.

FINANCE, LAND, etc.

Table listing finance, land, and other companies and their stock prices.

DIAMOND AND PLATINUM

Table listing diamond and platinum companies and their stock prices.

OVERSEAS TRADERS

Table listing overseas trading companies and their stock prices.

RUBBERS AND SISALS

Table listing rubber and sisal companies and their stock prices.

TEAS

Table listing tea companies and their stock prices.

India and Bangladesh

Table listing companies from India and Bangladesh and their stock prices.

Sri Lanka

Table listing companies from Sri Lanka and their stock prices.

Africa

Table listing companies from Africa and their stock prices.

MINES

Table listing mining companies and their stock prices.

CENTRAL RAND

Table listing Central Rand mining companies and their stock prices.

EASTERN RAND

Table listing Eastern Rand mining companies and their stock prices.

FAR WEST RAND

Table listing Far West Rand mining companies and their stock prices.

O.F.S.

Table listing O.F.S. (Overseas Finance and Securities) companies and their stock prices.

FINANCE

Table listing finance companies and their stock prices.

BRC BARS DESIGN FABRIC WELDMESH 4

HAD LORRY LOADER GEORGE COHEN LTD

NATO works on East-West arms control proposals

BY REGINALD DALE, EUROPEAN EDITOR

WESTERN GOVERNMENTS are working on a large package of East-West arms control proposals to be launched next month by NATO.

The Western offer could involve the unilateral withdrawal of 1,000 U.S. nuclear warheads from Western Europe.

The NATO countries have for many months intended to make an arms control initiative at their Ministerial meeting in Brussels in mid-December.

The scope of the Western offer looks likely to be considerably wider following the Brezhnev initiative. Mr. Brezhnev said last month he was ready to withdraw up to 20,000 Russian troops and 1,000 tanks from East Germany.

The idea of withdrawing 1,000 nuclear warheads from Western Europe is likely to be discussed at this week's meeting in The Hague of Defence Ministers in NATO's Nuclear Planning Group.

The NATO countries first offered to withdraw 1,000 nuclear warheads, plus 54 nuclear-capable F4 aircraft and 36 Pershing missiles in the negotiations at the end of 1975.

This time, the Western warhead withdrawal would be a unilateral move. The warheads involved would probably be largely outdated free-falling bombs and nuclear mines that Washington has long regarded as superfluous to its military requirements in Europe.

long-blocked the Vienna negotiations, would be resolved. The West would also want to push ahead with Salt III negotiations which would for the first time include intermediate-range "theatre" nuclear weapons in the Soviet Union and Western Europe.

Now, however, Moscow has agreed, in the Salt II talks, to the principle of reciprocal reductions. In contacts with Moscow since the Brezhnev initiative, the West has managed to clarify some aspects of the Soviet proposals.

BP talks on £100m HQ deal

BY MICHAEL CASSELL

BRITISH PETROLEUM is having discussions with Whitbread and Trafalgar House about the possible purchase of the £40,000 sq ft City office complex which the two latter companies are now developing.

If the deal goes ahead it could involve a purchase price above £100m and would be one of the largest property transactions in the UK.

BP said last night that a statement concerning the Chiswell Street development, which is close to the company's existing headquarters complex in Moor Lane, City, would be "very premature".

It is known that BP is looking for space to house some of its headquarters staff now approaching 4,000 people. At least some of the office accommodation now occupied in the Moor Street area is old and considered to have a fairly short operational life ahead of it.

At present, BP occupies space in Britannic House and in two adjoining office blocks, North Britannic House and Longbow House. It is thought that Britannic House would remain an operational centre if any deal in the Chiswell Street site went ahead.

BP Petroleum Development, which is responsible for North Sea operations, is moving out of the Moor Street complex. It is going to the Finsbury Square premises previously occupied by Fluor (UK), the petrochemical contractors who have taken the Easton Square office scheme.

In May 1978, Whitbread and Trafalgar House concluded partnership arrangements to develop two office blocks on the Chiswell Street site, owned by the brewing group. The two buildings are now under construction with the first due for completion next year and the second following sometime in 1981.

It is understood that the two companies are also having talks with other potential purchasers of at least one of the office blocks, though this may involve an investment deal rather than an acquisition by a potential occupier.

Trafalgar House is currently one of the most active UK property development companies and its broad policy is to sell off completed schemes rather than retain them to include in its own property portfolio. For Whitbread, the sale of the Chiswell Street complex will represent the very welcome conversion of some unwanted land assets into cash.

Question of boom or bust. Page 18

THE LEX COLUMN The gilt-edged challenge

The collapse of confidence in the gilt-edged market over the last week or so has been positively alarming, with falls of a point or more being recorded six days running.



However, the volume of options on the French and UK markets is still plenty, and in the UK shares are not much lower. The number of options contracts on the London market has risen from 100,000 in 1978 to 200,000 in 1979.

There is, of course, a price at which every fund manager is prepared to swallow enormous amounts of tap stock. But the present climate is peculiarly unhelpful. Previous shock funding programmes have taken place after periods of gradually declining expectations, which an abrupt rise in Minimum Lending Rate and cosmetic measures (such as Mr. Healey's raising of employers' National Insurance contributions) have managed to reverse.

Friday's figures for central Government borrowing in October showed that public spending has still been over-shooting—otherwise the £540m rise in the Customs and Excise take, as higher-rate VAT was paid in, should have led to a net repayment over the month.

Borrowing in November will be boosted by the fall in income-tax receipts and no one now believes that bank lending to the private sector is slowing.

In these circumstances, and given its present methods of monetary control, the Government must sell a good deal of stock quite soon, and as much as possible in what is left of the banking month to mid-November. This probably means no more than the remnants of the medium and long-taps—perhaps £700m together—as a new stock announced next Friday would come too late to be subscribed within the present month.

The cutting of the tap prices will have to be brutal: taking accrued interest into account, Exchequer 12 per cent 1989/2002 "A" is more than 12 points below the level at which the Government broker last supplied it.

Liquidity is not a particular problem, but it may not be as high as the recent lack of finding would suggest. The British institutions seem to have bought a good deal of stock from overseas investors, and the repayment of back-to-back currency loans in the last few months has diverted funds from the gilt-edged market.

If yields of 15 per cent are to look alluring, it must be on

the basis that as the winter progresses and public spending cuts bite into the borrowing requirement, the problems of monetary control should look very comfortable in the early months of 1980—retail price inflation pushing up to, and perhaps above, 20 per cent and coming down only slowly. The Government Broker will need all his salesmanship this week.

European options. In the past six weeks the European Options Exchange in Amsterdam has been shaken into some kind of life. Last Wednesday the number of contracts hit a record 5,600—not far short of the 6,000 daily average required for the sophisticated exchange to cover its costs.

It will still be a long time before the break-even point is reached on a regular basis: in the last six weeks the daily average has been running at about 3,500 contracts. However, this is more than twice the average volume in the spring, when First Options of Amsterdam, one of the leading clearing members, announced it was pulling out.

Probably the key element in the improved performance was the introduction in March this year of put options, which confer the right to sell shares at a future date at a fixed price. With the falling markets of recent weeks, this has become an attractive way for the institutions and market operators to protect themselves. On Wednesday last week, for example, there were 2,600 puts, nearly half the total contracts.

The falling market has also brought some much-needed volatility to the underlying Dutch shares which still make up the bulk of trading on the exchange.

Barclays American. When Barclays decided to buy American Credit Corporation for \$120m last year it caused a few raised eyebrows. Until then the traditional route for foreign banks expanding in America was either to buy a fully-fledged bank or set up a branch.

By going into the glamorous business of small scale consumer lending, Barclays avoided paying the embarrassingly high prices that some other foreign banks had paid. In addition, it neatly sidestepped the ban on interstate banking since the 386 offices in 22 states were not regarded as banks.

However, the move had its disadvantages in some bankers' eyes. Unlike a bank, a consumer finance company does not have a captive deposit base, a factor that has attracted many foreign banks anxious to get their hands on dollars in addition, in times of rising interest rates, finance companies tend to be squeezed both on their financing costs and their debt debt experience. After the last dramatic rise in US interest rates, American Capital's net income collapsed from \$12.2m to \$8.6m between 1977 and 1978.

Consequently, it would not seem to be the best time to increase exposure to this market. But Barclays must be convinced that this is not the case, given its decision to pay nearly \$200m for another 138 consumer finance offices in 12 states. With accounts receivable of around \$190m if the deal goes through, Barclays American will have close to 500 offices and receivables of over \$1bn.

Italy nears 20% rate of inflation

By Rupert Cornwell in Rome

A FRESH SURGE in prices last month, has drawn Italy closer to the prospect of 20 per cent inflation rate. Also the country's external trade accounts have again sloped heavily back into the red.

Prices rose 2.3 per cent in October, making a year-on-year increase of 18.2 per cent according to figures issued by ISFAT, the National Statistics Institute. In the first ten months of this year the increase in prices was 16.3 per cent.

The steadily accelerating pace of inflation can only add to the troubles of the fragile minority Government of Sig. Romano Prodi, under fire because of its failure to get to grips with the country's increasing economic problems.

Moreover, the latest figures increased the chances of a new deflationary twist to monetary policy in particular, especially if the lira starts to come under pressure in the European Monetary System, and the international escalation of interest rates goes on.

Union chief seeks sale of steel works

By Our Labour Correspondent

THE GOVERNMENT is to be urged by a steel union leader to consider selling to private owners the British Steel Corporation's Corby and Shotton works, where 12,000 redundancies are proposed.

Mr. Bill Sims, general secretary of the Iron and Steel Trades Confederation, said yesterday that private buyers had expressed interest in both plants, where iron and steel making is to cease by March.

There is little likelihood that BSC would agree to sell the plants, Mr. Sims said, private buyers were interested in taking over the whole of the two works, while it is BSC's intention to retain the tube mills at Corby and the coatings works at Shotton.

The first cargo of iron-ore is due to be landed at BSC's Hunterston terminal in Ayrshire today after settlement of an inter-union dispute.

Iran

concentrated in a few areas such as Louisiana, Texas and Southern California.

The White House has rejected as "invalid" a petition seeking extradition of the Shah from the U.S., purportedly signed by more than half the hostages. Mr. Jody Powell, the Press secretary, said it was authentic it was written under duress, and would therefore be ignored.

Refiners in UK may fare best in BNOC sale

BY RAY DAFTER, ENERGY EDITOR

REFINERS in the UK, notably British Petroleum, are expected to obtain the lion's share of £500m worth of oil being sold by British National Oil Corporation.

Negotiations with potential buyers of the oil, on offer under forward-sale terms, are nearing completion and a statement about the sale's progress is thought to be imminent.

British Petroleum, which has been losing supplies from traditional sources, has been anxious to obtain a big proportion of BNOC's future production.

It is thought that BNOC will raise the money needed to reduce the Government's Public Sector Borrowing Requirement by the forward sale of about 120,000 barrels a day over a period of nine to 12 months. The purchase price will be payable probably within the next few months, with deliveries extending through 1980.

The oil covered by the sale will be a relatively small part of the corporation's available oil next year. The corporation is expected to handle an average of 900,000 b/d. Of this, about 100,000 b/d could come from its own equity interests in North Sea fields (together with oil from British Gas Corporation's interests). About 500,000 b/d might be obtained through state participation arrangements with other companies. A further 300,000 b/d would be obtained by the government in lieu of royalty payments.

No rich Sea crude oil is now being sold for about \$25 to \$26.30 a barrel. The price is likely to rise significantly next year if, as expected, the Organisation of Petroleum Exporting Countries agrees to raise its prices from January 1.

It is clear that BNOC could have obtained substantial premium payments for its assured supplies in 1980. Spot market prices for crude oil, similar to the types produced in the North Sea, have risen to about \$45 a barrel.

The corporation has said that it has rejected such premiums in favour of assurances that most of the oil sold will be refined in the UK.

BP, one of the leading

British refiners, is an obvious potential customer. Its supplies from traditional OPEC producing countries have been greatly reduced in recent months to a point where it is being forced on to the spot market to obtain sufficient oil to meet its refinery needs. Until recently, BP had access to so much oil that it was one of the world's biggest crude oil traders.

As a measure of its new supply position, BP has found that it can rely on its five leading OPEC sources for no more than about 1.1m b/d, against 2m b/d last year and 4.3m b/d in 1974.

In its spare sale prospectus, the company states that the level of supplies next year is still uncertain. The company is still negotiating with BNOC and certain OPEC countries.

The forward sale of oil by BNOC was accepted as a money-raising scheme by the Government as an alternative to the disposal of state oilfield assets. Mr. David Howell, Energy Secretary, had originally asked the corporation to draw up a list of assets that might be sold to raise about £400m.

else come in," he declared. But Mr. Weighell made it clear that he intended to continue the fight against the Left's bid for control of the party.

The party inquiry had been deliberately rigged in an attempt to provoke union leaders into abandoning it, he claimed—"but I don't intend going down that road."

Mr. Ron Hayward, Labour's general secretary, and Mr. Norman Atkinson, the party's Left-wing treasurer, who had allowed the party to drift into its present deplorable state, should both resign, he declared.

Last night Mr. Atkinson said that Mr. Weighell was not justified in calling for his resignation. "The accounts are not in a mess—although there is a

deficit in the main, brought about by those working for the Labour Party claiming parity with those employed by the NUR in similar capacities," he said.

Labour's national executive came under further attack from Mr. Dennis Howell, Labour MP for Small Heath and president of APEX—the clerical workers' union.

Constant feuding and the pursuit of an ultra-left doctrine would bring the party to disaster, he warned, and the executive had to be made to face the political facts.

"If they do not, we shall soon have a smaller, politically extinct, Left-dominated party with which trade unions and moderate voters will not identify."

Weighell urges Callaghan to go

BY PHILIP RAWSTORN

MR. SID WEIGHELL, moderate leader of the National Union of Railwaymen, yesterday called on Mr. James Callaghan to resign as leader of the Labour Party.

He said on Tyn-y-Tises Television "Face the Press" "I'm beginning to share the view that if he is going to go in the next year or two, it might well be the best time to go now."

Mr. Weighell, whose union voted in support of Mr. Callaghan against the Left-wing at the Labour conference, said there was a group in the party's national executive who were constantly trying to undermine Mr. Callaghan's standing as leader.

"So long as that goes on, I think it would be better for him to go and let somebody

major batch of proposals. These include a package aimed at cutting the Community's two big surpluses, sugar and dairy products, due to be published at the end of this month; and the farm price proposals for next year, expected in December.

Two main questions remain to be settled—how to limit lamb imports into the EEC from non-EEC suppliers such as New Zealand, Australia and Eastern bloc countries; and how to protect EEC farmers, primarily in France, against the drop in prices likely to result from free trade in lamb.

France has been taking a tough protectionist stand on both points, but appears to have lost the first. The Commission has approached most non-EEC suppliers and is keen to begin

Pressure on Britain over lamb

BY MARGARET VAN HATTEN IN BRUSSELS

BRITAIN is likely to come under pressure from her EEC partners this week to relax her tough stand against helping French sheep farmers at the expense of the Community taxpayer.

The prolonged negotiations to include lamb and mutton in the Common Agricultural Policy have been soured in the past two months by France's refusal, in defiance of the European Court of Justice, to lift curbs on imports of British lamb.

But last week the Commission opened proceedings to take the French to court again on this issue.

There are signs that the other countries feel this takes care of the legal problem for the moment. Meanwhile they are keen to agree on a common policy for lamb before the Commission brings down its next

negotiating voluntary restraint agreements. The Commission and the other seven EEC members appear to have more sympathy with France's insistence that the Community should help its farmers whose prices are likely to drop when cheap British lamb is freely available.

Mr. Finn-Olav Gundlach, the Farm Commissioner, said recently that he considered Mr. Peter Walker, the Agriculture Minister, "too negative". Insisting that help for French farmers come out of the French national Budget.

The UK has neither confirmed nor denied rumours that it is about to ask for a further green pound devaluation, a request which would almost certainly be used as leverage to settle the lamb issue.

Weather

UK TODAY FROST in many parts. Showers and snow on high ground in N. England and Wales. S.E. England and East Anglia Mainly dry. More cloudy later. Max. 10C (50F). Cent. S. England, Midlands Dry at first, becoming cloudy. Rain later. Max. 10C (50F). E. N. England, Borders, S.W. Scotland, N. Ireland, N. Wales Showers, windy at times especially over high ground. Max. 9C (48F). Channel Isles, S.W. England, S. Wales, rest of Scotland, Orkney and Shetland Showers with bright intervals. Max. 10C (50F). OUTLOOK: Mainly dry but windy with weather spreading to some westerly areas later.

Table with columns for location, temperature, and weather conditions. Includes entries for London, Paris, Rome, etc.

Patek Philippe Hand-crafted advertisement featuring a watch image and text: 'Patek Philippe Hand-crafted', 'Patek Philippe', 'PATEK PHILIPPE'.